

Report of the Head of Programme (PPPU)

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Report to the Director of Children and Families

Date: 23rd February 2018

Subject: Design & Cost Report for Hawksworth Wood Primary School Expansion Phase 2 Works

Capital Scheme Number: 32450/HAW/EXP

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Kirkstall	<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?	<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 school 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 pressures on the school provision in the city.
2. As part of this programme, it is proposed that Hawksworth Wood Primary School expands from a 1 Form Entry with 210 pupil places, to a 2 Form Entry with 420 pupil places from September 2017. 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 within the city, and was approved by Executive Board in September 2016.
3. Due to the complexity of the phasing required to deliver this scheme approvals are being sought under two separate DCRs.
4. The first DCR, which was approved in May 2017, requesting authority to spend £2m, included significant works to the children centre as well as in the school. However due to the critical need to deliver phase 1 works, a decision was made to include some elements

of the work in phase 2. As a consequence the budget for phase 2 works needs to increase to reflect the additional work.

5. Phase 1 works comprised of refurbishment of 3 classrooms, extension of the kitchen, conversion of the caretaker's store into toilets and developing an external reception play area. This work has been completed and the phase 1 contractor is currently working through snagging. It previously also included significant works to the children centre as well as in the school, however these will now be done in phase 2.
6. As a consequence of the reduced scope of works in phase 1, this second DCR also seeks approval to re-assign £930k out of the funds authorised in the DCR that covered phase 1.
7. The full scope of the phase 1 works facilitated the expansion to accommodate the additional reception class in September 2017 and the expansion of the kitchen which was completed in December 2017.
8. Phase 2 works comprises of 4 new build classrooms refurbishment of a number of areas in the children centre to enable it to be suitable for the primary school use, provision of a disabled toilet, a fenced games court, and extension to the car park as well as a junior football pitch at a cost of £2,930k.
9. The scheme remains within the overall scheme envelope of £4.0m approved by Executive Board members at their meeting in September 2016.
10. The project will be delivered in conjunction with Norfolk Property Services (NPS) and the Council's Projects Programmes and Procurement Unit (PPPU). The Construction Partner will be selected by tender from the YORbuild2 framework as set out in the procurement strategy which was approved by the then Director of Childrens Services in January 2016.
11. In June 2017, Executive Board approved the Basic Need Programme report recommendation to delegate authority to the Director of Children and Families to approve Design and Cost Reports for individual projects, subject to support by the Director Resources & Housing and the Director of City Development.
12. In accordance with this approval, this scheme has been considered and supported by the Director of Resources & Housing and Director of City Development who approved the report by email on Wednesday 8th March 2018.

Recommendations

The Director of Children and Families is requested to:

- i. Approve that £930k of funds authorised for spend under the code 32450/HAW/REF as part of Phase 1 be re-allocated to the 32450/HAW/EXP capital code for Phase 2 works.
- ii. Approve the expenditure of £2,930k from capital scheme number 32450/HAW/EXP for the construction work associated with the phase 2 works at Hawksworth Wood Primary School necessary for the additional intake from September 2018.
- iii. Note that the received tenders will be evaluated on price only and that prior to going out to tender, approval via email was obtained from the Head of Learning Systems Children and Families.
- iv. Note that this second DCR is for the main works and follows the DCR approved for phase 1 works in May 2017.

- v. Note that a budget of £4.0m was granted at Executive Board in September 2016 and that this includes the capital costs for phase 1 and 2 DCR's.
- vi. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

1. 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 Hawksworth Wood Primary School from a 1FE to a 2FE school by September 2017.
- To seek approval to transfer £930k of funds authorised for spend under phase 1 be re-allocated to the capital code for phase 2 works.
- To seek approval to the expenditure of £2,930k as outlined in the report for the expansion of Hawksworth Wood Primary School.

2. 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, over 1778 places in reception have been created in order for the Council to fulfil 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 3FE permanent and 14FE bulge/temporary were secured to meet the level of demand.
- 2.5. For September 2017, a further 390 permanent reception places (13FE) were provided. This included 7 FE in terms of permanent expansions, along with another 150 bulge reception places (5FE) and 30 places (1FE) through the opening of a Free School to meet the demand for places. In addition to reception class, a further 5FE in year bulge cohorts for September 2017 have been added mainly across KS1 but with some in KS2; most of these have not required additional capital. Projections for September 2018 anticipate a further 270 places (9FE) needed, to be met by a combination of Free Schools, permanent expansions and bulge cohorts.
- 2.6. Analysis of available demographic data has identified that additional school places are required in the densely populated Hawksworth Wood and surrounding areas to meet demand from families living locally. This is due to a number of factors including: the increase in 0-5 year old children residing in these areas of Leeds and in year pressure

for places in some year groups; the extensive programme of house building, both planned and already underway in Kirkstall and surrounding areas. Without adding any additional places in this area it is likely that in future years some children may not be allocated a place.

- 2.7. This new scheme will be completed under the City Council's Learning Places Programme.
- 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, 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 at Hawksworth Wood 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.
- 2.10. The procurement strategy to appoint a Construction Partner for phase 1 of the works and tender for phase 2 of the works was approved as a programme strategy in March 2017. The construction partner for phase 1, Pacy and Wheatley, were selected via a direct selection call-off using the YORbuild2 framework to undertake the refurbishment works. This is in line with Contract Procedure Rule 3.1.5.
- 2.11. Phase 1 works are now complete with the exception of some snagging issues. The current estimate for phase 1 works inclusive of all design and construction fees is £1,070k. The reason for the scheme coming in below the original estimate of £2m is due to the uncertainty around scope of works, costs and programming of works because the design process had not been completed. It previously also included significant works to the children centre as well as in the school, these will now be done in phase 2.
- 2.12. The current estimate for phase 2 works are estimated to be £2,930k which also includes works that were originally in scope of phase 1. As a result the cost of phase 2 is now above the original estimate of £2m.
- 2.13. The overall scheme budget of £4.0m was approved at Executive Board in December 2016.

3. Main Points

3.1. Design Proposals and Full Scheme Description

3.1.1. Phase 2 of the permanent expansion to provision at Hawksworth Wood Primary School will be completed by end of August 2018 and includes:-

- A new one storey extension will be built to provide four key stage 2 classrooms with a link to the existing building;
- An expansion of the current car park to create 15 additional places;
- Provision of a Multi-Use Games Area (MUGA);

- Removal of a driveway allowing for marking out an appropriately sized football pitch[
- Redesign of some of the children’s centre accommodation to facilitate it use by the school. This is due for completion by end of October 2018;
- Provision of a disabled toilet as the existing one will be used solely by the school;
- Works to the boys and girls toilets.

3.1.2. The phase 2 scheme covered by the DCR has achieved design freeze, a corresponding construction budget has been estimated by NPS based on the designs they have produced. The current construction budget estimate is £1,975k and this excludes design, surveys, NPS costs and the client’s contingency which is set at 15% of the construction budget to reflect the risks associated with this specific scheme.

3.1.3. The scheme is currently out to competitive tender via the YORbuild2 framework and there are currently six contractors who have expressed an interest in submitting a tender which are due to be returned on Wednesday 14th March.

3.1.4. The project will be delivered by the Council’s Projects, Programmes and Procurement Unit (PPPU) in conjunction with NPS acting as Lead Designer and Technical Advisors. The competitive tender will be issued on the YORbuild2 framework and a contractor will be selected.

4. Programme

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

DCR approved	9 th March 2018
Tender package issued	7 th February 2018
Tender returns	14 th March 2018
Tender accepted	28 th March 2018
Contract awarded	9 th April 2018
Work begins on site	17 th April 2018

4.2. The contract for the extension work is planned to be awarded in April 2018 with the work commencing in April 2018 with full completion of all works by October 2018.

5. Corporate Considerations

5.1. Consultation and Engagement

5.1.1. The proposal to expand the school was subject to a statutory process issued on September 2016 including public consultation. The expansion of the school was subsequently approved by Executive Board in December 2016.

5.1.2. The proposed permanent expansion scheme has been subject to consultation with key stakeholders including officers from Children and Families, 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. Planning approval for phase 2 works was obtained in February 2018.
- 5.1.4. Throughout the design process, the school and governing body has and will continue to be consulted on the design 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. The school officially signed off design freeze for phase 2 work in October 2017.
- 5.1.5. In accordance with the Learning Places Programme Delegation from Executive Board, this scheme has been considered and supported by the Director of Resources & Housing and the Director of City Development as this falls outside the monthly meeting cycle for the School Places Programme Board meeting. Approval by the Director of Resources & Housing and the Director of City Development was obtained on Wednesday 8th March.
- 5.1.6. Public consultation at the school, as part of the planning process for the phase 2 works was held on 14th June 2017 where representatives from Planning, Highways, PPPU and NPS were in attendance to discuss the proposals for the new build works for phase 2 of the school expansion.

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 for this scheme and the outcome of the screening is that an independent impact assessment is not required for the proposals as set out in this report.

5.3. Council Policies and City Priorities

- 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. Contract Procurement Rules (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'. It also supports the priority set out in the plan of being a child friendly city by 'keeping children safe, supporting families, raising aspirations and educational attainment'.
- 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; enjoying 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 places which can contribute to these outcomes.

5.4. Resource and Value for Money

5.4.1. The project will be delivered through the YORbuild2 framework with a contractor being appointed by a competitive process. The YORbuild2 framework is an approved framework and the proposed procurement process is in line with CPR 3.1.5 (CPRs 3.1.4 and 3.1.6 does not apply as there is no ISP, or existing provider to undertake this work).

5.4.2. Tenders received will be evaluated on a price only basis with the lowest compliant tender being selected. Works drawing contained in the tender documents have been fully designed by NPS, all tenderers will be pricing the same information therefore a price only evaluation allows direct comparison. This will also reduce the timescales for evaluating tenders and awarding the contract.

5.4.3. NPS have been commissioned to provide Lead Designer and Technical Advisor Services. The scope of service is for NPS to provide PPPU with design services and technical advice through the feasibility, design & procurement process. The scope of the service is also to provide the necessary technical advisory services to assure that the scheme being developed by the successful Contractor offers value for money, meets the requirements of the brief, conforms to an agreed market testing strategy, meets the standards set in the LCC Generic Output Specification and is deliverable within the parameters of the programme.

5.4.4. The current construction estimate developed by NPS is £1,975k, which forms part of the total scheme budget of £2, 930, 000.

5.4.5. The capital costs will be met through capital scheme number 32450/HAW/EXP as part of the Learning Places Programme. The current total scheme costs are £4.0m.

5.5. Capital Funding & Cash Flow

Basic Need Primary Expansion 2017/18			Parent Scheme Number: 32450/HAW/000				
Previous total Authority to Spend on this scheme	TOTAL £000's	To March 2017 £000's	2017/18	2018/19	2019/20	2020/21	2021 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	800.0		775.0	25.0			
FURN & EQPT (5)	60.0		15.0	45.0			
INTERNAL FEES (6)	70.0		45.0	25.0			
OTHER COSTS (7)	140.0	14.3	86.7	39.0			
TOTALS	1,070.0	14.3	921.7	134.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	To March 2017 £000's	2017/18	2018/19	2019/20	2020/21	2021 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	0.0						
CONSTRUCTION (3)	1,975.9			1,916.6	59.3		
FURN & EQPT (5)	65.0			65.0			
INTERNAL FEES (6)	286.5	111.2	117.1	58.2			
OTHER COSTS (7)	602.6	43.0	89.1	468.6	1.9		
TOTALS	2,930.0	154.2	206.2	2,508.4	61.2	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	To March 2017 £000's	2017/18	2018/19	2019/20	2020/21	2021 on
			£000's	£000's	£000's	£000's	£000's
BASIC NEED GRANT	4,000.0	168.5	1,127.9	2,642.4	61.2		
TOTAL FUNDING	4,000.0	168.5	1,127.9	2,642.4	61.2	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

5.6. Revenue Effects

5.6.1. There are no revenue implications arising from this refurbishment.

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 Learning Places Programme approved by Executive Board in June 2017. Executive Board has already approved the authority to spend for the project as required in Financial Procedure Rules and the decision to proceed in this report constitutes a key decision and as such will be subject to call in.

5.7.2. The Director of Children and Families has been granted the delegated authority to approve this project to proceed after complying with the conditions established by Executive Board in June 2017. As outlined in this report the Director of Children & Families [has the support for the decisions in this report from the Director Resources & Housing and Director of City Development, and has consulted with the appropriate Executive Members on the proposals.]

5.7.3. As the value of the approval request is greater than £250k, the approval request represents a Key Decision and is therefore subject to call in. The decision was been placed on the list of forward decisions on 9th March 2017.

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. A priced risk log has been developed for the scheme by Leeds City Council which has been incorporated into the tender documents and will be jointly reviewed and further developed with the successful contractor. The priced risk register has been used to inform the client contingency for the project which has been set at 15% of the construction budget (£296k). The level of contingency reflects the high level of risks associated with a scheme of this type.

5.8.3. 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).

6.8.3 The key risk to the project is the construction period to ensure the new classrooms are available for the school to use from September 2018. A contingency plan of utilising other accommodation within the site is being developed and will be agreed with the school. There is provision in the contract to apply liquidated damages in the event that the accommodation is not ready for September 2018.

Other risks include;

- The land on which the school is built has been used as a disposal site for debris from clearance of terraced houses in the area. This increases the risk

of discovery of contaminated land. This has been considered and the client contingency has been increased to reflect this;

- The ground investigation work identified some asbestos material but the extent and spread across the site is unknown. The removal of the contaminated material from site would incur additional costs and this has been accounted for within the scheme budget;
- The timescales to complete the accommodation required for September 2018 may result in increased tender returns due to additional labour costs as the current market is showing signs of shortage of skilled trades. This has been considered and the client contingency has been increased to reflect this;
- Undertaking building works while the school is in operation carries significant health and safety risks. Contractors will be restricted in the areas in which they can work while the school and the children's centre remain operational;
- While detailed surveys have been undertaken to understand risks and actions identified to mitigate against this, there is still an element of unknown risks which may materialise as works progress;
- Extension and changes to the car park could result in additional unanticipated costs because the current car park is not constructed to current standards.

7 Conclusions

- 7.1 The estimated cost are within the overall budget of £4.0m for all works approved at Executive Board in September 2016
- 7.2 The project has achieved design freeze for the phase 2 extension works and it has been confirmed and planning permission has been granted.
- 7.3 The project will be delivered by the Council's Projects, Programmes and Procurement Unit (PPPU) on behalf of Children's Services in partnership with NPS acting as Lead Designer and Technical Advisors. A construction partner will be selected via a competitive tender using the YORbuild2 framework. The YORbuild2 framework is based on the NEC3 form of contract Option A (priced contract with fixed penalty activity schedule).

8 Recommendations

The Director of Children and Families is requested to:

- i. Approve that £930k of funds authorised for spend under the code 32450/HAW/REF as part of phase 1 be re-allocated to the 32450/HAW/EXP capital code for phase 2 works.
- ii. Approve the expenditure of £2,930k from capital scheme number 32450/HAW/EXP for the construction work associated with the phase 2 works at Hawksworth Wood Primary School necessary for the additional intake from September 2018.
- iii. Note that the received tenders will be evaluated on price only and that prior to going out to tender, approval via email was obtained from the Head of Learning Systems Children and Families.

- iv. Note that this second DCR is for the main works and follows the DCR approved for phase 1 works in May 2017 and is to cover the main expansion work.
- v. Note that a budget of £4.0m was granted at Executive Board in September 2016 and that this includes the capital costs for phase 1 and 2 DCR's.
- vi. Note that the Chief Officer, Projects, Programmes & Procurement Unit (PPPU) is responsible for scheme delivery.

9 **Background Documents**

9.1 None