

Report of the Head of Service Learning Systems

Report to the Director of Childrens & Families

Date: 17th April 2018

Subject: Design & Cost Report and Tender Acceptance for the required works to facilitate the Learning Places Expansion of Beecroft Primary School.



Capital Scheme Number: 32450/BEE/000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Kirkstall		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix B and Appendix C is exempt from publication under access to information rule 10.4 (3).		

Summary of main issues

1. The purpose of this report is to seek approval to incur capital expenditure of £3,000,000 from capital scheme number 32450/BEE/000 for the completion of essential building works necessary to facilitate the expansion of Beecroft Primary school. The proposed expansion will increase the schools intake from 30 pupils up to 45 and was effective from the commencement of the 2017/18 academic year. The work highlighted within this report is critical to ensure the required accommodation is in place for commencement of the 2018/19 academic year.
2. In December 2016 the Executive Board approved the principal of a project to expand Beecroft Primary from 210 pupil places to 315 with effect from September 2017. A funding envelope of £1.2m (DDN number D43998) was approved. Following design development, and an adjustment in procurement strategy, a further £1.8m of funding was injected into the scheme at the February 2018 Executive Board (DDN number D46256). This additional funding was necessary to deliver the full extent of the scheme and reflects the complexity of the site. Following this injection the total approved funding envelope was set at £3m.

3. One packages of 'Early Works' totalling £868,416 have previously been approved in February 2018 (DDN number D46271) to support the delivery of the necessary design development, preconstruction works and enable 'off-site' manufacture of the modular build solution. These costs do not constitute part of this approval but are detailed within this report for context and included within the contract sum referenced herein.
4. The Beecroft expansion project has been subject to financial analysis from the LLEP's appointed advisors, acting on behalf of the Authority. Following this analysis the proposed scheme has been determined to offer 'value for money' to the Authority.
5. Planning permission for expansion at Beecroft Primary was determined on 1st February 2018. The pre-commencement conditions have been completed as part of the 'Early Works' agreement for this development. Applications to discharge these conditions have subsequently been submitted to the Planning Authority. The planning conditions, imposed as part of the application determination, have been factored into the Interserve cost plan and risk matrix.
6. The works detailed within this report is required to facilitate the expansion to 1.5FE and ensure the school has sufficient accommodation within the school site for the start of the 2018 September term. Failure to meet this critical path will result in the need to provide alternative temporary accommodation to ensure that sufficient classroom space is available to support the existing and future pupils on roll.
7. The project is to be delivered by Childrens & Families in conjunction with the Leeds Local Education Partnership (LLEP), their Interserve Construction Limited (ICL) with the design and specification provided by the joint venture partners (NPS Leeds).
8. In September 2014, Executive Board approved the Learning Places Programme report recommendation to delegate authority to the Director of Childrens & Families to approve Design & Cost reports for individual projects, subject to support by the Director Resources & Housing, the Director of City Development and the Executive Member for Childrens & Families. In accordance with this approval, this report has been issued for consideration and support via email on 11th April 2018.
9. As this decision is a direct consequence of a previous key decision it is classed as a 'subsequent operational decision' and therefore exempt from call-in.

Recommendations

The Director of Childrens & Families is requested to:

1. Approve the expenditure of £3,000,000 from capital scheme number 32450/BEE/000 for the expansion of Beecroft Primary School. This figure is inclusive of all construction costs, professional services, necessary supporting costs and a client held contingency commensurate with a project of this scale and complexity. This is to be funded from the combined £3m allocated to the expansion of Beecroft Primary approved at the December 2016 (DDN D43998) and February 2018 (DDN D46256) Executive Boards.
2. Note that the figure detailed above is includes £868,416 of previous approvals required to facilitate the 'Early Works' package (DDN D46271).
3. Sanction the requirement to enter into a contractual agreement with the LLEP for ICL to deliver the expansion at Beecroft Primary School. This will take the form of a 2016 JCT Design & Build contract between the authority and Leeds D&B One Ltd for the sum of

£2,522,512. For contractual purposes this figure includes previous approvals, totalling £868,416, required to facilitate the 'Early Works' package.

4. Authorise acceptance of the tender submitted by the LLEP in the sum of £2,522,512.40, including all design and development fees but exclusive of LLEP management and consultant fees.
5. Note the programme dates identified in section 4.0 of this report in relation to the implementation of this decision. The final delivery date for this scheme is prior to the commencement of term September 2018.
6. Note that the officer responsible for implementation is the Built Environment Project Officer.

Purpose of this Report

1.1. The purpose of this report is:

- To provide background information and detail to the Director of Children's & Families for the proposed development at Beecroft Primary School enable the permanent expansion of the school up to 1.5 forms of entry per year.
- Seek authority to incur capital expenditure of £3,000,000, inclusive of all project costs, to construct the new accommodation at Beecroft Primary School. Noting that this figure includes £868,416 of prior approvals
- Seek authority to accept the tender return from the LLEP and commence work on-site for a September 2018 completion.
- To seek authority to enter into contract with the LLEP (D&B One Co.), at a contract value of £2,522,512.40, for ICL to provide new accommodation at Beecroft Primary School. This figure includes all professional design fees and all construction costs, including the £868,416 of prior approvals necessary to expedite the 'Early Works' package but exclusive of LLEP fees and LLEP commissioned consultants and services.
- Contextualise the associated cost and risk implications of the proposed works, both in terms of the construction programme at Beecroft Primary School and the wider Learning Places programmes implication.

2.0 Background Information

- 2.1. The Learning Places programme represents the Council's response to the demographic growth pressures in primary school provision. The increasing birth rate in Leeds has required Leeds City Council to approve an increasing number of new reception places since 2009 in order to fulfil its statutory duty to ensure sufficiency of 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 in many instances. The capital school building solutions to the demographic need is managed via Childrens & Families Learning Places Programme.
- 2.3. A report to Executive Board on 14th December 2016 detailed the outcome of consultation on the proposal to expand primary provision at Beecroft Primary School from a capacity of 210 pupils to 315 pupils with an increase in the admission number from 30 to 45 with effect from September 2017. Executive Board approved the recommendation to publish a Statutory Notice. The final determination was granted at the 27th July 2016 Executive Board meeting.
- 2.4. Following completion of the statutory consultation process a budget of £1.2m was set by Executive Board in December 2016. This funding envelope was based upon a self-delivery model with Beecroft Primary School developing, managing and tendering the proposed expansion. With the funding based on Education & Skills Funding Agency (ESFA) rates. Following a review of the initial design information NPS Leeds, acted as technical advisor for the Authority, identified several issues with the proposed solution which would jeopardise safe delivery of the scheme and severely impact upon term time operations. Following discussions with the Governing Body it was determined that the best approach was for the Authority to

manage delivery in partnership with the LLEP and NPS, with ICL acting as appointed construction contractor.

- 2.5. A revised proposal was drawn up in conjunction with the Authority's appointed partners and in consideration of the complexities of the site. Namely the limited available space, shared external areas with Sacred Heart Catholic Primary and the need to deliver for September 2018. The proposal is to demolish the existing ground floor and replace this with a two storey building of modular construction, this solution addresses all concerns associated with the legacy proposal and is supported by the school and governing body.
- 2.6. The increased costs for the scheme more accurately reflect the site 'abnormals' and complexities and resulted in an increase from the original budget of £1.2m approved in December 2016 to a total of £3m. The additional £1.8m funding injection was approved at the February 2018 Executive Board.
- 2.7. To enable programme to be met a package of 'Early Works' was approved in February 2018 with a cost of £868,416. This funding secured the manufacturing slot for the factory, procurement of key materials associated with off-site construction, initial design and technical fees and associated pre-construction works. Of this £868,416 the modular order equated to £505,443 of expenditure and £363,082 for design and preconstruction activities for the entire scheme.
- 2.8. The proposal for Beecroft Primary School will form part of the on-going work to address capacity and sufficiency across all of Childrens & Families; which includes provision for primary and secondary school places in addition to early years and specialist provision. These proposals form part of the Council's Basic Need Programme that embeds the 'One Council' approach in terms of shared ownership of proposed solutions across the various departments involved.
- 2.9. These proposals form part of the Council's Learning Places Programme that embeds the 'One Council' approach in terms of shared ownership of proposed solutions across the various departments involved.

3.0 Main Points

3.1 Design Proposals and Full Scheme Description

The proposed main works package at Beecroft Primary School will provide a new teaching block to support the expansion from a capacity of 210 pupils to 315. The key components of these works are as follows:

- Demolition of the existing ground floor area and preparation of the site for the new two storey extension.
 - Construction, delivery and installation of a six classroom modular extension including all necessary welfare and ancillary facilities.
 - Associated landscaping and external works package, including necessary enhancements to the car parking provision
 - Design and technical fees and pre-construction works associated with the above.
- 3.2. The estimated scheme cost is £3,000,000; this includes £2,522,512.40 for main construction works, NPS fees of £67,427.84, and £118,077.02 to cover supporting

costs. The remaining funding is allocated to a client held contingency deemed to be commensurate to the scale and complexity of the proposed works detailed herein. The figures above include £868,416 of prior approvals necessary to facilitate the package of 'Early Works'.

- 3.3. The planning application for this scheme was submitted 20th November 2017 and subsequently granted permission 1st February 2018. The works detailed herein were included within the planning application.
- 3.4. The costs noted within this report represents the maximum exposure to the authority with respect to the works detailed above.
- 3.5. New signage and traffic regulation orders will be required. The project will support these requirements where applicable to the school development and this will be funded from budget detailed herein.

4.0 Programme

- 4.1. The works highlighted in point 3 above are required to support the delivery of essential accommodation at Beecroft Primary. The key milestones to achieve the delivery of this work is set out below:

- Tender return w/c 9th April 2018
- Authority to spend w/c 16th April 2018
- Start on-site 12th March 2018
- Ground Floor Handover 30th July 2017
- First Floor Handover 6th August 2018
- Externals Handover 31st August 2018
- Occupation by the school w/c 3rd September 2018
- School opens September 2018

- 4.2. Release of the funding for the main construction works and requirement to enter into contract of week commencing 16th April 2018 represents the critical path and essential to ensure a September 2018 handover and occupation is achieved.

5.0 Corporate Considerations

5.1 Consultation and Engagement

- 5.1.1. The expansion of Beecroft Primary has been subject to consultation with Childrens & Families' officers, school representatives, Highways, Planning and elected members.
- 5.1.2. The proposals detailed herein have been subject to extensive consultation with the school management team and Governing Body. The school have in turn made parents aware of the proposals. Full support has been provided for the scheme as detailed and the school management team have been integral to its development.
- 5.1.3. Childrens & Families will continue to brief elected members at key stages throughout the project development.

5.2. **Equality and Diversity / Cohesion and Integration**

- 5.2.1. The recommendations with this report do not have any direct nor specific impact upon any of the groups falling under the remit of the equality legislation and the need to eliminate discrimination and promote equality. A screening document has been prepared to this effect and an independent impact assessment is not required for the approvals requested. The screening document has been sent to the Equality Team to be approved, publishing and held on-file. A copy is included with this report as appendix A.

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. In providing places close to where the children live the proposals will improve accessibility of local and desirable school places, and thus reduce any risks of non-attendance.
- 5.3.2. 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.

5.4. **Resource and Value for Money**

- 5.5. The estimated scheme cost is £3,000,000; this includes £2,522,512.40 for main construction works, NPS fees of £67,427.84, and £118,077.02 to cover supporting costs. The remaining funding is allocated to a client held contingency deemed to be commensurate to the scale and complexity of the proposed works detailed herein. The figures above include £868,416 of prior approvals necessary to facilitate the package of 'Early Works'.
- 5.5.1. The cost will be met through capital scheme number 32450/BEE/000 as part of the Basic Need Programme.
- 5.5.2. An independent market testing exercise conducted by SUM has advised that the tender return for the works reflects the value of the scheme and is commensurate with the complexities demonstrated in the design and construction methods employed to deliver the required accommodation.
- 5.5.3. Completion of the works detailed herein is essential to provide the critical accommodation for the expansion at Beecroft Primary School for the next academic year and achieve a completion date of 1st September 2018.
- 5.5.4. Note, the works detailed herein have been subject to value engineering to ensure conformity to the scheme budget and efficiency of the delivered solution.

5.6. Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2018 £000's				
			2018/19 £000's	2019/19 £000's	2019/20 £000's	2021 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	505.4		505.4			
FURN & EQPT (5)	0.0		0.0			
DESIGN FEES (6)	0.0		0.0			
OTHER COSTS (7)	363.0		363.0			
TOTALS	868.4	0.0	868.4	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2016 £000's				
			2018/19 £000's	2019/19 £000's	2019/20 £000's	2021 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	2089.6		2089.6			
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	42.0		42.0			
TOTALS	2131.6	0.0	2131.6	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2016 £000's				
			2018/19 £000's	2019/19 £000's	2019/20 £000's	2021 on £000's
	0.0					
Basic Need Grant	3000.0		3000.0			
	0.0					
Total Funding	3000.0	0.0	3000.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 32450/000/000

Title: Basic Need Primary Expansion 2017/18

5.7. Revenue Effects

- 5.7.1. Any additional revenue consequences that may arise as a result of the project will be managed within the respective school budgets.

5.8. Legal Implications, Access to Information and Call-In

- 5.8.1. The Director of Childrens & Families has been granted the delegated authority to approve this project to proceed after complying with the conditions established by Executive Board in December 2016. As outlined in this report the Director of Childrens & 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.
- 5.8.2. The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'.
- 5.8.3. There are no other legal implications or access information issues arising from this report.
- 5.8.4. Appointment of the LLEP was via a waiver report approved on 23rd May 2017 (DDN D44435).

5.9. Risk Management

- 5.9.1. Risk is to be managed through application of 'best practice' project management tools and techniques via the City Council's 'Delivering Successful Change' methodology. Experienced Project Management resource Childrens & Families Built Environment team will be tasked with ensuring the project remains within the predetermined risk tolerances.
- 5.9.2. A programme level risk log will be maintained and updated throughout the project and escalation is via Head of Service Learning Systems.

6.0 Conclusions

- 6.1. As a result of an increase in pupil numbers local to Beecroft Primary School, it is necessary to provide supplementary teaching accommodation for the start of the September term 2018. This report seeks approval to incur capital expenditure for works necessary to facilitate the expansion of Beecroft Primary School. This work will support the increase of existing pupil numbers from 30 pupils per year group, up to 45. The increase in pupil numbers took place from September 2017 and the proposed work is critical to ensure the appropriate accommodation is in place for commencement of the forthcoming academic year.
- 6.2. Following an independent cost analysis conducted by SUM the tender sum of £2,522,512.40, inclusive of all contractor appointed design fees but exclusive of LLEP fees and associated costs, has been deemed to represent value to money for the Authority and recommended to be accepted. £868,416 of this tender sum figure was previously approved as part of the 'Early Works' package.
- 6.3. The delivery of the works at Beecroft Primary School will be managed by Childrens & Families in conjunction with the Leeds Local Education Partnership and the joint venture partners (NPS), the school and other key stakeholders. The cost of the works will be met through capital scheme 32450/BEE/000 to the value of £3,000,000, inclusive of all associated fees, costs and previous approvals.
- 6.4. The requirement to provide additional accommodation at Beecroft Primary School for a September 2018 delivery has been developed through continued consultation with the appropriate stakeholders.

7.0 Recommendations

- 7.1. The Director of Childrens & Families is requested to:
 - 7.1.1. Approve the expenditure of £3,000,000 from capital scheme number 32450/BEE/000 for the expansion of Beecroft Primary School. This figure is inclusive of all construction costs, professional services, necessary supporting costs and a client held contingency commensurate with a project of this scale and complexity. This is to be funded from the combined £3m allocated to the expansion of Beecroft Primary approved at the December 2016 (DDN D43998) and February 2018 (DDN D46256) Executive Boards.
 - 7.1.2. Note that the figure detailed above is includes £868,416 of previous approvals required to facilitate the 'Early Works' package (DDN D46271).
 - 7.1.3. Sanction the requirement to enter into a contractual agreement with the LLEP for ICL to deliver the expansion at Beecroft Primary School. This will take the form of a 2016

JCT Design & Build contact between the authority and Leeds D&B One Ltd for the sum of £2,522,512. For contractual purposes this figure includes previous approvals, totalling £868,416, required to facilitate the 'Early Works' package.

- 7.1.4. Authorise acceptance of the tender submitted by the LLEP in the sum of £2,522,512.40, including all design and development fees but exclusive of LLEP management and consultant fees.
- 7.1.5. Note the programme dates identified in section 4.0 of this report in relation to the implementation of this decision. The final delivery date for this scheme is prior to the commencement of term September 2018.
- 7.1.6. Note that the officer responsible for implementation is the Built Environment Project Officer.

8.0 Background Documents¹

- 8.1. 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.