



Report of the Principal Development Officer

Report to the Director of Children and Families

Date: January 2019

Subject: Design & Cost Report for Planned Maintenance Programme 2019/20

Capital Scheme Numbers: 33015 RFG, 33015 MEC, 33015 KIT, 33015 WIN 33015 ELE, 33015 FIR



Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Various – City wide	<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? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Leeds receives an annual School Condition Allocation (SCA) in respect of condition works at maintained schools, Foundation (Trust) schools and children’s centres on school sites. In July 2018, the DfE confirmed that Leeds would receive an SCA grant allocation of £6,676,549 for 2018/19. The announcement of the School Condition Allocation for the 2019/20 financial year is anticipated in March 2019. It is expected to be based on similar methodology to the 2018/19 allocation, with funding being adjusted to take into account schools opening and closing and changing responsible body (i.e. schools converting to Academy status).
2. Since 2011/12, this funding has been used to address the highest priority condition issues in order to maintain safe, warm, watertight learning environments for the

children of Leeds, and to address the most common causes of unplanned school closure and loss of teaching time.

3. This report brings forward proposals to continue Planned Maintenance across maintained, Foundation (Trust) schools and children's centres on school sites to address essential condition works in six areas: (1) Electrical services, (2) Mechanical services; (3) Roofing works; (4) External Wall, Windows and Door Replacement, (5) Kitchen Ventilation and (6) Fire safety
4. This report requests Authority to spend £5,000,000 of the available Schools Condition Allocation grant on continuing with the programme of planned maintenance works in 2019/20 and approval of the proposed procurement strategy.

Recommendations

The Director of Children and Families is asked to:

- i) Approve the proposed programme of Planned Maintenance works in maintained and Foundation (Trust) schools to be delivered during 2019/20 and funded from the available Schools Condition Allocation grant.
- ii) Authorise expenditure of £5,000,000 of the available Schools Condition Allocation grant on these essential condition works.
- iii) Approve the proposed procurement strategy, including the use of the internal provider for some work areas and the Constructionline framework for the remaining programme.
- iv) Note that £1,705,400 of previous year's School Condition Allocation with pre-existing Authority to Spend is still available to be utilised towards the 2019/20 Capital Maintenance Programme, based on current outturn projections for previous year's maintenance schemes.

1. Purpose of this report

- 1.1. The purpose of this report is to seek approval to procure and commence a programme of Planned Maintenance works in maintained and Foundation (Trust) schools in 2019/20, and to seek authority to incur expenditure of £5,000,000 of the available Schools Condition Allocation grant.

2. Background information

- 2.1. Since 2011/12, Leeds has received an annual capital grant from the DfE called a School Condition Allocation (SCA) in respect of condition works at maintained schools, Foundation (Trust) schools and children's centres on school sites, which has totalled £62,700.8m up to and including the 2018/19 allocation. To date, Authority to Spend has been approved on £45,541.3m of the funding.
- 2.2. School Condition Allocations take into account the information that the EFA has collected through the Property Data Survey programme (PDS) about the condition of schools, and consists of three components as follows:
 1. Core Condition Funding, for all responsible bodies based on their pupil numbers.
 2. High Condition Needs Funding, for those with disproportionately high need.
 3. Floor Protections, provided in previous years to ensure that no responsible body got less than 80% of the funding it received in the 2014-15 maintenance allocations.
- 2.3. The announcement of the School Condition Allocation for the 2019/20 financial year is anticipated in March 2019. It is expected to be similar to the 2018/19 allocation, but will be revised annually to take into account schools opening and closing and changing responsible body (i.e. schools converting to Academy status).
- 2.4. The Head of Learning Systems has agreed that proposals could be brought forward for expenditure of £5,000,000 in 2019/20 on essential condition issues as identified in the Asset Management information held by the Built Environment team, across six packages of works:
 - (1) Electrical services, (2) Mechanical services; (3) roofing works; (4) external wall, windows and door replacement, (5) kitchen ventilation and (6) Fire Safety.
- 2.5. This continues the planned programme of addressing the essential condition works which have been delivered each year since 2011/12. The rationale for addressing these priorities is to maintain safe, warm, watertight learning environments, and to address the most common causes of unplanned school closure and loss of teaching time, which generally fall into the seven categories noted above. In addition to this, any works undertaken in respect of roofing, external envelope/windows, boiler replacement and kitchen ventilation will contribute to carbon reduction through increased levels of insulation and increased efficiency of mechanical plant and

equipment. An overview of the schemes undertaken during 2018/19 is included for reference at Appendix 1.

- 2.6. In assessing the level of essential works, the Property Data Surveys that were carried out by the Education Funding Agency along with more detailed Local Authority Condition data information is used in identifying priorities across the school estate. The condition of each element is given a grading between A-D and a priority of 1-4, with condition grade D, priority 1 used to identify those elements deemed to be most urgent / essential. This information is extracted from the Asset Management database and validated by the Built Environment Team who have carried out surveys and site investigation works in order to validate the identification of essential requirements.
- 2.7. An unspent balance of £1,705,400 with pre-existing Authority to Spend from previous year's programmes is available to fund part of the 2019/20 programme, which is based on the latest estimated outturn position of last year's programme, but is subject to change as and when individual final accounts are agreed.

3. Main issues

3.1. Design Proposals and Full Scheme Description

- 3.1.1. The total available Schools Condition Allocation grant which is the subject of this report will be used to address the essential Category B Maintenance works in existing assets across maintained and Foundation (Trust) schools to ensure that the baseline standard of providing safe, warm and water tight learning environments is maintained across the school estate.
- 3.1.2. The proposed programme of works will address essential condition issues identified within the Asset Management Plan covering the following six key areas;
 1. Electrical services:
Replacement of distribution boards and replacement of wiring systems
 2. Mechanical:
Projects will include boiler plant replacement and system replacement/ amendments where appropriate.
 3. Kitchen Ventilation:
Projects will include replacement of main canopy, air handling equipment and controls, in accordance with current legislation.
 4. Roofing works:
Projects will include recovering and replacement of areas of roofing using appropriate method/materials for each site.
 5. External windows, walls & doors:
Projects will include the replacement of poor condition external materials as identified.

6. Fire Safety:

Projects will include replacement and/or refurbishment of cavity barriers, fire doors and glazed screens following an agreed fire strategy.

- 3.1.3. Following the review of asset and condition data as detailed at 2.6, an initial high level programme has been developed totalling 41 schools at an estimated cost of £6,705,400.00 which will be funded through the carried forward balance of £1,705,400 (which already has Authority to Spend), and the £5,000,000 funding allocation of which Authority to Spend is sought within this report. This information is extracted from the Asset Management database and validated by the Built Environment Team who have carried out surveys and site investigation works in order to validate the identification of essential works across the children's services estate.
- 3.1.4. It should be noted that the list of projects is fluid in nature, and therefore schemes may be added or omitted as the programme develops over the next few months to reflect updated priorities that may arise due to any reactive/urgent/unforeseen H&S issues that occur, and to also take into account updated budget estimates as further design development takes place across the schemes. This will ensure that the programme remains within the overall cost envelope and authority to spend being requested in this report.

3.2. Programme

- 3.2.1. Owing to the disruptive nature of the schemes and their impact on the day to day operation of schools, maximum use will be made of out of hours working around the school day during term time, in order to minimise disruption to learning, and for works to be undertaken outside the main heating season. There will be exceptions to this, for example where there are health and safety issues which need to be resolved urgently.
- 3.2.2. Larger scale projects will be carried out during the 2019 school summer holiday period, due to the extent of the works required and the length of tender process. It may also be necessary to either commence large projects in advance of the summer holiday period, or for completion to take place after the holidays – where this is the case, schools will be fully consulted and plans put in place to ensure that the contractor's set-up is suitable for an operational school environment.
- 3.2.3. The planned key programme dates are as follows:
- Design: October 2018 to Feb 2019
 - Tender preparation: Jan to April 2019
 - Tender Returns: March to June 2019
 - Tender reports issued: April to June 2019
 - Start on site: June to July 2019

- Handovers: August to October 2019

3.2.4 Fire Safety works are planned to be delivered between April 2019 and March 2020.

3.3 Future Year's Programmes

3.3.1 Due to the changing education landscape and the limited funding available to address condition issues, schools have been consulted on the future approach to developing and undertaking capital maintenance works programmes. Greater transparency will be provided for schools on the forward plan which will enable them to make asset related decisions around timing of works and the potential need to reserve funding towards schemes.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Officers in Built Environment have consulted with a number of key stakeholders including school staff and governors, and other colleagues within the Council including City Development and finance. This consultation will continue throughout the design process to ensure that the final projects meet expectations and that any changes proposed do not materially affect the operation of the school.

4.1.2 Works identified across three of the six elements of work will not require planning approval; however some of the external wall, window and door replacements, Kitchen Ventilation and the demolition and making good of areas may require planning approval with the appropriate statutory consultation. Early dialogue with Planning Officers will take place to ensure that sufficient time is allowed to submit a planning application in advance of works commencing on site.

4.1.3 As most of the works will be internal, there will be no impact on the community requiring engagement or consultation. Once approval is granted by the Director of Children's Services, the Executive Member for Children and Families and local Ward Members will be informed of the schools in the respective wards where works will be commissioned and the proposed programme. Where any of the works would have an impact on neighbouring residents, for example where out-of-hours working would be required either during an evening or weekend, residents will be fully consulted and informed in advance of these works being undertaken.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 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 and an independent impact assessment is not required for the approvals requested. A copy is included as Appendix 2 to this report.

4.3 Council Policies And Best Council Plan

4.3.1 These works will contribute towards the modernisation of school buildings within the city, creating good quality, safe, warm and watertight learning environments for the

children of Leeds, supporting 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'. The works also contribute to 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. In addition, the works will ensure that the Council is complying with its legal responsibilities with regards to health & safety legislation and maintaining occupant safety.

4.3.2 CPRs apply to this process and this report confirms that the relevant CPRs have and will be adhered to, utilising our Joint Venture Partner, NPS Leeds, and the Local Education Partnership (LEP) to carry out surveys and design works as required throughout the design development phase. Construction works will be undertaken through a number of providers including the Internal Service Provider, Leeds Building Services, which supports their vision of growth and expansion and is in compliance with CPR 3.1.4 (ISP ability to undertake works). The elements that the ISP are to deliver include Mechanical works, Windows and curtain walling works, and a number of roofing works. Other routes include utilising the LEP's supply chain, or through competitive tendering in accordance with CPR's.

4.4 Resources And Value For Money

4.4.1 NPS (Leeds) and the Local Education Partnership (Leeds) have projected total costs of £6,705,400 for the completion of the required works. The design and construction of these works is estimated to comprise construction works in the sum of £5,414,200 and professional fees in the sum of £1,291,200 NPS will undertake full tender evaluations of individual schemes and individual Tender Acceptance Reports will be submitted for formal approval in line with Governance requirements.

4.4.2 The fees for City development to establish the procurement route, manage the procurement programme and coordinate and administer the contractor performance recording system for the 2019 programme total £35K, and these costs are included in the projected total cost identified above.

4.4.3 To ensure Value for Money and to procure the works within the agreed timescales, schemes will be procured using a variety of procurement methods. These will include the use of the internal service provider, Leeds Building Services, exclusive supplier arrangements utilising the LEP's existing supply chain, and competitive tendering methods. It is proposed that the procurement approach for the delivery of the works not delivered through the ISP will be delivered through Constructionline, with the exception of LEP exclusivity. Constructionline is a national framework of contractors that have been vetted to ensure that they are able to undertake works. Constructionline vet the health and safety, insurance, references and financial credibility of all companies. Constructionline generates random lists based on a set of criteria, including, scope of works, value and location, whilst also applying a notional value to manage the value of works that contractors are able to tender for based on a suppliers size and financial standing.

4.4.4 In order to encourage the successful delivery of the programme, contractor performance data in relation to the delivery of the 2018 programme will be assessed when determining tender lists. This process will ensure that contractors who have previously performed poorly are unable to tender for opportunities this year and will conversely ensure that contractors who have historically performed well are included on tender lists for this year's programme. This should increase the likelihood of working with quality contractors that have an understanding of pressures and processes in relation to this programme, whilst also reducing the risk of poor contractor performance and operational issues for schools.

4.4.5 The cost of the projects will be met through capital scheme number 33015/000/000 as part of the Planned Maintenance Programme 2019/20

4.4.6 A full overview of the 2019/20 programme will be submitted as part of next year's DCR, in order to provide transparency and auditability around the schemes delivered this year. Updated spend profiles are to be reported to the Children and Families Programme, Risk and Control Group on a quarterly basis and approval sought in relation to proposed actions, in order to mitigate any financial risks.

4.4.5 Capital Funding and Cash Flow

Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1364.2		1295.9	68.3			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	341.2		324.0	17.2			
OTHER COSTS (7)	0.0						
TOTALS	1705.4	0.0	1619.9	85.5	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
LAND (1)	0.0						
CONSTRUCTION (3)	4050.0		3847.5	202.5			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	950.0	70.0	836.0	44.0			
OTHER COSTS (7)	0.0						
TOTALS	5000.0	70.0	4683.5	246.5	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2018 £000's	FORECAST				
			2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's
SCA grant	5000.0	70.0	4683.5	246.5			
Total Funding	6705.4	70.0	6303.4	332.0	0.0	0.0	0.0
Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 33015 000 000

Title: SCA Programme 2019/20

4.5 Revenue Effects

4.5.1 No revenue effects are anticipated, but any additional costs arising will be managed within the school budgets.

4.6 Legal Implications, Access to Information and Call In

4.6.1 This is a key decision and will be subject to Call-In. The proposed capital works are all classified as 'Category B' and as such, the Director of Children and Families has unlimited delegated authority to approve Authority to Spend.

4.6.2 The procurement is and will continue to be in line with all CPR's and FPR's, by utilising the Internal Service Provider, Exclusive Supplier arrangements and competitive tendering through existing frameworks.

4.6.3 Individual Tender Acceptance Reports will be drafted for approval in line with the normal governance requirements and delegated approval limits.

4.7 Risk Management

4.7.1. The programme of works will be carried out in accordance with LCC policies and standards. 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 Children and Families.

4.7.2 City Development have been commissioned to establish and manage the procurement route, which ensures compliance with CPRs. In addition, City Development have previously administered the contractor performance recording system for the 2018/19 maintenance programme, which has ensured that those contractors who performed poorly last year are unable to tender for opportunities this year, and this monitoring will continue to be undertaken as part of the 2019/20 programme.

4.7.2 Operational risk will be addressed through compliance with CDM Regulations, Building Regulations and HSE requirements, along with close supervision of contractors on site and continual liaison with schools identified in the main programme. This will be monitored by NPS, Leeds Building Services, The LEP and the Client. These procedures will ensure the highest possible standards and control measures in regard to Health & Safety relating to all occupants whilst works are being undertaken.

4.7.3 Particular concerns with regard to asbestos will be identified by undertaking appropriate surveys prior to work commencing. Removal of asbestos will be undertaken, as required, out of school hours with suitably qualified specialists being

appointed to carry out works, and to undertake testing to current legislative standards with full notification to the Health and Safety Executive.

- 4.7.4 Updated spend profiles are to be reported to the Children and Families Programme, Risk and Control Group on a quarterly basis and approval sought in relation to proposed actions, in order to mitigate any financial risks. Monthly Checkpoint Reports will also be submitted over the period July to September to ensure that there is a full oversight of any issues that may occur during delivery of the individual projects.

5 Conclusions

- 5.1 LCC continues to receive an annual School Condition Allocation in respect of condition works at maintained schools, Foundation (Trust) schools and children's centres on school sites, which has been utilised over the last seven years to ensure that the baseline standard of providing safe, warm and watertight learning environments for the children of Leeds can be maintained.
- 5.2 This Design and Cost Report seeks approval to continue to fund essential condition works in maintained and Foundation (Trust) schools in six key areas with the aim of keeping schools open and operational by mitigating unplanned closures and addressing urgent Category D Priority 1 condition works as outlined within the asset management plan.
- 5.3 The programme is being procured in line with Corporate Procurement Rules, utilising the Internal Service Provider and Joint Venture Partner where possible, along with exclusive supplier arrangements and competitive tendering methods through existing frameworks.
- 5.4 There is a robust methodology in place for assessing the priority condition works that will be included within the programme, with an estimated value of £6,705,400. The cost of the programme will be met through capital scheme 33015/000/000 within the available cost envelope, which will be funded through the Authority to Spend of £5,000,000 School Condition Allocation being sought in this report, and the sum of £1,705,400 currently being estimated to carry forward from previous year's programmes, and there is a robust reporting mechanism in place to ensure there is full transparency and auditability.

6 Recommendations

- 6.1 The Director of Children and Families is asked to:
 - 6.1.1 Approve the proposed programme of Planned Maintenance works in maintained and Foundation (Trust) schools to be delivered during 2019/20, funded from the available Schools Condition Allocation.
 - 6.1.2 Authorise expenditure of £5,000,000 from the available Schools Condition Allocation grant on these essential condition works.
 - 6.1.3 Approve the proposed procurement strategy, including the use of the internal provider for some work areas and construction line for the remaining programme.

6.1.4 Note that £1,705,400 of previous year's School Condition Allocation with pre-existing Authority to Spend is still available to be utilised towards the 2019/20 Capital Maintenance Programme, based on current outturn projections for last year's maintenance schemes.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.