



Report of Senior Project Officer

Report to Head of Service Learning Systems

Date: 8^h July 2019

Subject: Design Cost Report and Tender Acceptance for the Learning Places SEN 'bulge' cohort at the former Shakespeare Primary PFI site

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Burmantofts and Richmond Hill	
Has consultation been carried out?	<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
Will the decision be open 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
If relevant, access to information procedure rule number:	
Appendix number:	

Summary

1. Main issues

- The purpose of this report is to seek approval to incur capital expenditure of £206,699.80 from capital scheme number 32737/BGE/SHA to reinstate part of the vacant former Shakespeare Primary School building to facilitate the temporary expansion of the East SILC. With effect from September 2019 approximately 30 special educational needs (SEN) pupils will be placed at this facility in the form of a 'bulge' cohort placed on the roll of the East SILC. The proposed accommodation detailed herein will be delivered via the PFI management company responsible for the facility and is essential to ensure the Authority meets its statutory duties with respect to ensuring the identified pupils can be successfully placed within school.
- The works required at the former Shakespeare Primary School (PFI) building is critical to ensure sufficiency of SEN places within the City and fulfilment of the Authority's statutory duties with respect to providing a school place for every child. Due to programme restraints this report provides details and costs for the initial tranche of construction works, including; associated professional fees, surveys, and all other costs associated with the development that sits outside of the construction contract at this stage. This is necessary to secure the proposed contractor and commence work prior immediately upon approval in order to secure the September start. A future Design & Cost Report will cover any remaining items, including the required specialist furniture and equipment necessary to open the school, once this information is available.
- The pressure on specialist school places for children and young people with SEND is such that it is necessary to create this temporary bulge cohort for the start of the 2019/20

academic year. A consultation on future proposals will run from 19th June to 24th July, and includes the plans to permanently use the former Shakespeare building as a specialist provision from 2020. A statutory notice period would follow the consultation should it gain approval. This proposal forms part of the solution to the increasing demand on specialist places which includes the creation of a new 200 place special free school in the city. Current projections indicate a potential need for an additional 200 places each year to 2022/23.

- The work detailed herein will be delivered under the variation process detailed within the PFI contract for this site. Childrens & Families will retain a monitoring role throughout the project to ensure programme is met and the budget is not exceeded. Additional ad hoc support will also be provided to school when required.

2. Best Council Plan Implications

- The proposed works detailed herein will adhere to the Council's aspiration to be a 'Child Friendly City'. It will provide critical 'good learning places' to ensure sufficiency of SEN school place capacity within the City. This will provide a platform for these children and young people to "do well at all levels of learning and have the skills they need for life."
- Re-use of a vacant building will adhere to the 'Sustainable Infrastructure' targets detailed within the Best Council Plan.

3. Resource Implications

- Implementation of this report, resulting in the reinstatement of Shakespeare Primary PFI building as active education establishment, will result in costs being incurred as part of the 'unitary charge' issued by the PFI provider for lifecycle and operation costs of the facilities. These services ceased when Shakespeare Primary School vacated the building in 2018, which resulted in a reduction of the unitary charge to the PFI SPV, Investors in the Community (Leeds Schools), for this facility.
- Based on the variation costs provided by the PFI SPV a fee of £67,645.05 will be incurred per annum for the delivery of the services generated as a result of this capital project. This includes the employment of additional staff by the facilities management company, Mitie, to undertake catering, cleaning and caretaking duties. These services ceased / reduced (as applicable) when Shakespeare Primary School vacated the building in 2018, resulting in a proportional decrease in the unitary charge whilst the building sat vacant.

4. Recommendations

The Head of Service Learning Systems is request to:

- a) Approve the expenditure of £206,699.80 from capital scheme number 32737/BGE/SHA for the construction work and associated fees necessary to facilitate the placement of 30 SEN pupils at the former Shakespeare Primary (PFI) campus as an extension to the East SILC.
- b) Authorise acceptance of the tender submitted by Investors in the Community (Leeds Schools), special purpose vehicle (SPV) responsible for managing the PFI contract, in the sum of £74,823.10. Inclusive of all design fees, development costs and surveys associated with this element of work.
- c) Approve the implementation of a City Council Change under the PFI contract with Investors in the Community (Leeds Schools) Limited for the SEN works (and consequential maintenance and lifecycle) at the former Shakespeare Primary School PFI building, and approve the entering in to of any associated documentation including without limitation a

deed of variation (if required). Authorise the Head of Service, Learning Systems to review and approve any such documentation.

- d) Note that the breakdown of project costs, highlighted in point 1 above, are detailed within section 4.4 of this report.
- e) Note the programme dates identified in section 3.5 of this report, in relation to the implementation of this decision, represents the critical path for project success and must be adhered to where possible.
- f) Note that the officer responsible for implementation is the Head of Service Learning Systems.

1.0 Purpose of this report

1.1. The purpose of this report is:

- To provide background information with respect to the proposed creation of a satellite facility to the East SILC located at the former Shakespeare Primary School (PFI) site, necessary to meet the Authority's statutory duty to ensure sufficiency of school places. This will allow the placement of a 'bulge' cohort of 30 pupils.
- To seek approval to incur expenditure of £206,699.80 for completion of the required works and to accept the variation to the PFI contract necessary to facilitate this.
- Seek acceptance of the tender submitted by the PFI SPV, Investors in the Community (Leeds Schools), in-line with the variation process detailed within the PFI contract.
- Note the reinstatement of revenue costs associated with utilising the Shakespeare PFI building as a fully operational education establishment.

2.0 Background information

- 2.1. The Learning Places programme represents the Council's response to the demographic growth pressures in school place provision. The increasing birth rate in Leeds has required Leeds City Council to approve an increasing number of new school places since 2009 in order to fulfil its statutory duty. 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. Project management of schemes arising from this process are delivered by City Development's Projects & Programmes Team.
- 2.2. The birth rate in Leeds has been rising for several years and the number of children and young people, including those with Special Educational Needs and Disabilities (SEND) has increased. This has contributed to a substantial increase in the number of new Education, Health and Care Plan (EHCP) assessments and the need for additional specialist school places across the city. We are looking to meet this need in line with our wider SEND strategy, in the local communities where need is highest. Demand is citywide although there is higher growth in East and South Leeds. Current projections indicate that there is a potential need of around 200 additional specialist school places each academic year from now to 2022/23. The need is growing across all year groups and particularly for children and young people with complex learning difficulties and complex communication difficulties.
- 2.3. The proposed facilities at Shakespeare Primary PFI building will be operated as an extension to the East SILC, and will provide approximately 30 specialist SEN places with effect from September 2019. The proposals detailed herein have been compiled in consultation with the proposed 'end user'.
- 2.4. The proposal for the former Shakespeare Primary PFI building will form part of the on-going development work to address capacity and sufficiency across all of Childrens & Families; which includes secondary places in addition to primary, early years and specialist provision. Any further costs associated with the proposal to place SEN pupils at this facility, currently unknown, will form a future report and subsequent approval request.
- 2.5. These proposals form part of the Council's Learning Places Programme that embeds the 'One Council' approach in terms of shared ownership of proposed solution across the various departments involved.

3.0 Main issues

Design Proposals and Full Scheme Description

- 3.1. The works at the former Shakespeare Primary School (PFI) building, necessary to facilitate the proposed expansion placement of a SEN 'bulge' cohort at the East SILC, consists of the following essential components:
- Cosmetic refresh and upgrade of pre-existing teaching spaces for use as SEN classrooms. Includes associated modifications to toilet areas to suit new age range.
 - Reinstatement of the main entrance with enhancements to create secure lobby for safeguarding purposes.
 - Supplementary access control to reflect new usage.
 - Recommissioning of mothballed services and systems.
 - All design development and survey costs associated with the scheme.
 - Provision of new data connection into the building.
 - Furniture & equipment necessary to set the building up as an SEN school.
- 3.2. A tender submission for the above has been submitted via the PFI SPV, Investors in the Community (Leeds Schools), in-line with the variation process outlined in the associated PFI contract. The work will be delivered by the PFI provider under the auspices of the PFI contract.
- 3.3. Due to the constrained timeline it has been necessary to scope the work prior to engaging with an end user. As such any additional works, in line with specifics of the end user requirements, will be addressed under a second 'design cost report' to be submitted at a later date. The work noted within this report is critical to ensure availability of accommodation for September 2019.
- 3.4. The tender value of the works detailed herein is £74,823.10. With the full scheme cost, inclusive of all additional fees / services and inclusive of an Authority held contingency (commensurate with a scheme of this scale and complexity), £206,699.80.
- 3.5. All loose furniture and equipment will be purchased by the 'end user', East SILC, utilising their pre-existing providers. This will not form part of the PFI contract, with the provision being itemised and included on an 'excluded asset' register, and will not be subject to maintenance and lifecycle by the PFI SPV's appointed FM partner.

Programme

- 3.6. The key milestones to achieve this programme are as follows:

- | | |
|---------------------------|----------------------------------|
| • Pupil numbers confirmed | w/c 1 st July 2019 |
| • Approval of this report | w/c 1 st July 2019 |
| • Contract award | w/c 8 th July 2019 |
| • Start on-site | w/c 15 th July 2019 |
| • Completion & handover | w/c 26 th August 2019 |
| • Occupation | 1 st September 2019 |

- 3.7. The proposals detailed herein are purely internal remodelling of existing facilities, as such planning permission is not required. Building Control approval, where applicable, will be sought by the PFI SPV with the associated fee covered under their works.
- 3.8. Approval of this report and contract award represent the critical path and are therefore essential to ensure delivery of the project in accordance with the dates above.

4.0 Corporate considerations

4.1. Consultation and engagement

- 4.1.1. The proposed facilities at Shakespeare Primary PFI building will be operated as an extension to the East SILC, and will provide approximately 30 specialist SEN places with effect from September 2019. The proposals detailed herein have been compiled in consultation with the proposed 'end user'.

4.2. Equality and diversity / cohesion and integration

- 4.2.1. 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'.

4.3. Council policies and the Best Council Plan

- 4.3.1. 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.
- 4.3.2. This contributes to the 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.

Climate Emergency

- 4.3.3. The proposals detailed herein utilise a pre-existing building with minimal need for additional works. The scope of the project is predominantly minor refurbishment, painting and decorating, with a small element of remodelling with no impact on the building footprint. With a lower occupancy number, 30 pupils as opposed to 315 and above, the overall volume of traffic and travel generated by re-use of the building will reduce accordingly.

4.4. Resources, procurement and value for money

- 4.4.1. The estimated scheme cost is £206,699.80; this includes £74,823.10 for main construction works, £23,170.92, £90,000 for furniture & equipment and £18,705.78 for supporting costs. A client held contingency has also been allowed for within the scheme cost which is commensurate to the scale and complexity of the proposed works detailed herein.

4.4.2. The cost will be met through capital scheme number 32737/BGE/SHA as part of the Learning Places Programme.

4.5. Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL	TO MARCH				
	£000's	2019 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	0.0					
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	0.0					
OTHER COSTS (7)	0.0					
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval						
	TOTAL	TO MARCH				
	£000's	2019 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
LAND (1)	0.0					
CONSTRUCTION (3)	87.9		87.9			
FURN & EQPT (5)	90.0		90.0			
DESIGN FEES (6)	0.0		0.0			
OTHER COSTS (7)	28.8		28.8			
TOTALS	206.7	0.0	206.7	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)						
	TOTAL	TO MARCH				
	£000's	2019 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022 on £000's
Basic Need Grant	0.0					
	206.7		206.7			
	0.0					
Total Funding	206.7	0.0	206.7	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number: 32737/000/000

Title: Learning Places Expansion 2019/20

4.6. Revenue Effects

4.6.1. Following Shakespeare Primary School vacating the PFI building in 2018 the services provided by the PFI SPV under the PFI contract were proportionally reduced. The work detailed herein, which reinstates the facility as an 'active' school, will result in a commensurate increase in the unitary charge to reflect the uplift in services and running costs.

4.6.2. Due to the structure of the PFI contract the lifecycle and maintenance allowance under the unitary charge will increase as a consequence of the works detailed herein. This equates to an annual increase of £2,032.65 to cover life-cycling and maintenance for the capital works identified within this report.

4.6.3. In addition to the above, setting the vacant Shakespeare Primary PFI building back up as a fully operational school will result in a reinstatement of catering services and the fully facilities management / cleaning services. This equates to an annual cost of £32,101 for catering and £33,511.40 for FM services, a total annual sum of £65,612.40 to be paid from the unitary charge.

4.6.4. When the site was vacated by Shakespeare Primary School in 2018 the unitary charge was negotiated down to reflect the reduction in services required within a non-operational facility. Reinstatement of the site as an operational educational facility will result in a reinstatement of these costs, recalculated to reflect the reduced occupancy and partial use of the building. A total revenue implication of £67,645.05 per annum is anticipated as a

consequence of the works detailed herein and the reinstatement of the Shakespeare Primary PFI building as a fully operational school.

4.6.5. Note, the exact revenue figures for the services element noted above are estimates and may fluctuate based on actual usage. For example, the catering figure is aligned to meal take-up and revenue generated. With the latter being deducted from the charges issued under the unitary charge.

4.6.6. Note, the longer the school is left vacant results in a commensurate increase in the risk of the 'PFI credits' for the site being revoked, leaving the Authority with an increased revenue burden.

4.7. Legal implications, access to information, and call-in

4.7.1. The approval of this report constitutes a 'Significant Operational Decision' and as such will not be subject to 'Call-In'.

4.7.2. There are no other legal implications or access information issues arising from this report.

4.8. Risk Management

4.8.1. Risk is to be managed through the application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' methodology. Experienced project management resource has been allocated from within City Development's Projects & Programmes Team. Contractual support is being provided by Procurement & Commercial Service. The PFI Contract will be managed by Procurement and Commercial Services and in addition PACS will provide any appropriate legal advice.

4.8.2. An Authority held contingency, commensurate with a project of this value, has been included within the approval figure to address any risks that occur during construction. This is to be used at the Authority's discretion and is not accessible by any other party.

4.8.3. A risk log has been developed for the scheme and will be updated and maintained throughout the project by the assigned project officer. Escalation of risk will be via the City Development's Head of Projects & Programmes, Asset Management & Re-generation.

5.0 Conclusions

5.1. In order to reinstate the vacant Shakespeare Primary PFI building into a fully operational school, to accommodate a 'bulge' cohort of 30 SEN places from September 2019, it is necessary to undertake the project detailed herein. Noting that this the initial approval to be sought, covering the majority of the capital work.

5.2. The delivery of the works at Shakespeare Primary PFI will be managed by City Development's Projects & Programme's Team on behalf of Childrens & Families in conjunction with the Investors in the Community (Leeds Schools) (PFI SPV) and Mitie Facilities Management.

5.2.1. The estimated scheme cost is £206,699.80; this includes £74,823.10 for main construction works, £23,170.92, £90,000 for furniture & equipment and £18,705.78 for supporting costs. A client held contingency has also been allowed for within the scheme cost which is commensurate to the scale and complexity of the proposed works detailed herein.

5.2.2. The requirement to provide additional accommodation at the former Shakespeare Primary PFI building, for the commencement of the 2019/20 academic year, has been developed through continued consultation with the appropriate stakeholders.

6.0 Recommendations

- 6.1. The Head of Service Learning Systems is request to:
 - 6.1.1. Approve the expenditure of £206,699.80 from capital scheme number 32737/BGE/SHA for the construction work and associated fees necessary to facilitate the placement of 30 SEN pupils at the former Shakespeare Primary (PFI) campus as an extension to the East SILC.
 - 6.1.2. Authorise acceptance of the tender submitted by Investors in the Community (Leeds Schools), special purpose vehicle (SPV) responsible for managing the PFI contract, in the sum of £74,823.10. Inclusive of all design fees, development costs and surveys associated with this element of work.
 - 6.1.3. Approve the implementation of a City Council Change under the PFI contract with Investors in the Community (Leeds Schools) Limited for the SEN works (and consequential maintenance and lifecycle) at the former Shakespeare Primary School PFI building, and approve the entering in to of any associated documentation including without limitation a deed of variation (if required). Authorise the Head of Service, Learning Systems to review and approve any such documentation.
 - 6.1.4. Note that the breakdown of project costs, highlighted in point 1 above, are detailed within section 4.4 of this report.
 - 6.1.5. Note the programme dates identified in section 3.5 of this report, in relation to the implementation of this decision, represents the critical path for project success and must be adhered to where possible.
 - 6.1.6. Note that the officer responsible for implementation is the Head of Service Learning Systems.

7.0 Background documents¹

- 7.1. None.

Appendix A Equality Impact Assessment Screening Document

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.