



Report of: Director of Children and Families and Director of City Development

Report to Executive Board

Date: 24/09/2020

Subject: Design and Cost Report for the Allerton Grange School Permanent Expansion of 60 Places for September 2021

Are specific electoral wards affected? If yes, name(s) of ward(s): Roundhay	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

• **Main issues**

- The purpose of this report is to set out the demand for creation of new secondary school places for September 2021 and seek approval for authority to spend and to incur capital expenditure on the expansion of Allerton Grange School, one of the projects identified to meet the demand as part of the Council's Learning Places Programme.
- Since 2009, Leeds City Council's Learning Places Programme has created over 11,500 primary school places across the city in response to rising birth rates which increased from 7,500 per year in 2001 to a peak of 10,350 in 2012. For the academic year starting in September 2018, a total of 1,600 new primary learning places were created to meet the continued demand and in 2019 315 were delivered. Since the peak in 2012 the birth rate has been declining resulting in the requirement for fewer permanent primary places and a decrease in the number of temporary or bulge solutions.
- As expected, as children move through primary and into secondary school, the demand for year 7 places has started to rise with 9254 places allocated for the academic year 2019/20 (an increase by nearly 300 children on the previous year) Projections estimate that in 2020/2021 it will increase by nearly 500 children and then by a similar amount in 2021/2022
- There is a clearly identified need for additional secondary places in the inner north area of Leeds to meet an increase in pupil numbers in future years. Allerton Grange School is popular and has already admitted more pupils than its Published Admission Number (PAN) for the past four years to help meet demand in the area. The school is located within an area of high demographic need, with limited alternative options available to respond to this.

The proposed 60 additional permanent year 7 places will provide some much needed additional capacity in Roundhay/Moortown to help manage future pressure.

- On 24th June 2020, Executive Board approved the proposal to permanently expand secondary provision at Allerton Grange School from a capacity of 1200 pupils to 1500 pupils in years 7 to 11 with an increase in the admission number from 240 to 300 with effect from September 2021.
- The school has previously admitted over its published PAN of 240 to 270 and managed the additional capacity within the current footprint of the building. However in order to increase to a PAN of 300 additional accommodation will be required to support the permanent expansion.
- In June 2020 capital expenditure of £2,151,200.80 was approved for works to remodel and refurbish the former City Learning Centre (CLC) to provide accommodation for the September 2020 bulge cohort of 60 pupils. The former CLC building sits within the Allerton Grange School site but is not part of the PFI and is wholly owned by Leeds City Council. Works have progressed well on the bulge scheme and the school will occupy the remodelled CLC building from the start of the September 2020 school year.
- The remodelling of the former CLC provides accommodation for the bulge cohort, however further works to the main school building will be necessary in order to facilitate the full extent of increased pupil numbers in the permanent expansion of the school. The CLC building will also be utilised as part of the permanent scheme, by adding an extension with additional teaching spaces. The project will aim to minimise the works to both the existing school and CLC buildings, to ensure a value for money scheme is delivered.
- This Design and Cost Report seeks approval of authority to spend and incur capital expenditure for the works associated with the permanent expansion of Allerton Grange School for September 2021.
- The impact of the Covid-19 pandemic on project risk, programme and cost is currently unknown, this is being actively managed by the Project Manager to ensure the scheme is delivered for September 2021. The cost plan detailed herein is priced to reflect the position known at the current stage as such they reflect the known risk of Covid-19 at this time and have adjusted accordingly, resulting in increased prelims, a longer programme, additional costs associated with productivity limitations as a result of social distancing etc. Any new escalation of the pandemic, outside of the known parameters, or changes to current Government guidance, remains an unknown and prevalent risk. The project team will continue to monitor this and report back to the Head of Programmes & Project at regular intervals. As well as a client held contingency commensurate with a project of this value to address any risks during construction, a separate sum for Covid-19 related risk has been allocated within the budget.
- **Best Council Plan Implications** (see the [latest version of the Best Council Plan](#))
 - The scheme will 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.
 - The scheme contributes to the 2020/2021 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 2018-23, 'Leeds to be the best city in the UK and the best city for children and young people to grow up in. We want Leeds to be a child friendly city'. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

- **Resource Implications**

- The total estimated cost and capital investment associated with the permanent expansion of Allerton Grange School will be £7,202,806. This figure includes the existing capital approval to spend of £2,151,200.80 to remodel the CLC building to accommodate the bulge cohort of 60 pupils (2FE) for September 2020.
- This report is seeking approval of the remaining financial allocation of £5,051,606 to deliver the remainder of the works for the permanent expansion of Allerton Grange School from 240 to 300 PAN.
- The total estimated cost of the works including the existing approval for the bulge cohort inclusive of all development costs, fees (including PFI fees), construction, decant, utilities, loose furniture & equipment, off-site Highways works, client held contingency.
- The cost will be met the capital scheme 33177/AGR/000 as part of the Learning Places Programme.
- As the design develops opportunities will be explored to seek value for money solutions to identify savings where possible.

- **Recommendations**

Executive Board is requested to:

- Approve authority to spend and incur expenditure of £5,051,606 from capital scheme number 33177/AGR/000 for the redevelopment and permanent expansion of Allerton Grange School from September 2021.
- Note the overall scheme costs will be £7,202,806 incorporating the existing approval of £2,151,200.80 for the bulge expansion for September 2020.
- Note that expenditure for the construction of the permanent expansion works are subject to planning approval.
- Note that the former CLC building is in the ownership of Leeds City Council and not part of the PFI; the extension to the former CLC building will be subject to a deed of variation to remove this section of the site from the PFI agreement such that the extended building remains wholly in LCC ownership. A further deed of variation will be required for PFI approval to undertake remodelling works within the main school building.
- Approve the implementation of a City Council Change under the PFI contract and approve the entering in to of any associated documentation including without limitation a deed of variation (as required). Authorise the Head of Service, Learning Systems to review and approve any such documentation.
- Note the programme dates identified in section 3.2 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.
- Note that the officer responsible for implementation is the Head of Service Learning Systems in Children's and Families Directorate.

1. Purpose of this report

1.1. The purpose of this report is:

- To provide background information in respect to the expansion of Allerton Grange School and the delivery of the construction works to adhere to the project programme.
- Contextualise the associated cost and risk implications of the proposed works, both in terms of the construction programme at Allerton Grange School and the wider Learning Places programme.
- To seek authority to spend and approval to incur expenditure of £5,051,606 for the delivery of works for the permanent expansion from September 2021 of Allerton Grange School. This approval is in addition to existing approved expenditure of £2,151,200.80 for works in the former CLC to support the bulge cohort for September 2020. As such the total scheme costs will be £7,202,806.

2. 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. Since 2009, Leeds City Council's Learning Places Programme has created over 11,500 primary school places across the city in response to rising birth rates which increased from 7,500 per year in 2001 to a peak of 10,350 in 2012. Whilst from a primary perspective the demand for places has peaked and is now starting to decline, as expected, as children move through primary and into secondary school. The demand for year 7 places has started to rise with 9254 places allocated for the academic year 2019/20 (an increase by nearly 300 children on the previous year) Projections estimate that in 2020/2021 it will increase by nearly 500 children and then by a similar amount in 2021/2022.
- 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 Children's & Families Learning Places Programme. Project management of schemes arising from this process are delivered by City Development's Projects & Programmes Team in Asset Management and Regeneration.
- 2.3 There is a clearly identified need for additional secondary places in the inner north area of Leeds to meet an increase in pupil numbers in future years. To manage gradually increasing demand for secondary places in previous years, it has already been necessary to provide some additional temporary places at several schools in the inner north area and to permanently expand Roundhay School by 250 places. In addition, the greatest increase in demographics is around the Allerton Grange area and from within the schools catchment.
- 2.4 With limited options available to meet the overall need, failure to act now and agree high quality expansion schemes at good schools, such as this, is likely to result in the Local Authority failing in its duty to provide sufficient secondary school places
- 2.5 Allerton Grange School is popular and has already admitted more pupils than its Published Admission Number (PAN) for the past four years to help meet demand in the area. The school is located within an area of high demographic need, with limited alternative options available to respond to this. The proposed 60 additional permanent year 7 places will

provide some much needed additional capacity in Roundhay/Moortown to help manage future pressure.

- 2.6 On 24th June 2020, Executive Board approved the proposal to permanently expand secondary provision at Allerton Grange School from a capacity of 1200 pupils to 1500 pupils in years 7 to 11 with an increase in the admission number from 240 to 300 with effect from September 2021. If the proposal does not proceed there is a risk that increased demand for places in the local area would have to be met further from the area of need, reducing the opportunity for more children and young people to walk to their local school, and potentially increasing journey times and car use.
- 2.7 The school has previously admitted over its published PAN of 240 to 270 and managed the additional capacity within the current footprint of the building. However in order to increase to a PAN of 300 additional accommodation will be required to support the permanent expansion.
- 2.8 Works to accommodate a bulge expansion of 60 pupils has already been undertaken for September 2020. This work has created general teaching accommodation for 6th form pupils in the former CLC building on the site in order to facilitate a bulge cohort in the main school following approval of capital expenditure in June 2020 for £2,151,200.80 specifically for the bulge. Further works to expand the CLC building and remodelling within the main school building will be necessary in order to enable the permanent expansion of the school as pupil numbers grow to meet the maximum PAN.
- 2.9 While the former CLC building is owned by LCC, the expansion of the building will encroach onto the existing PFI site. The extension to the former CLC building will be subject to a deed of variation to remove this section of the site from the PFI agreement such that the extended building remains wholly in LCC ownership. A further deed of variation will be required for PFI approval of the internal remodelling works in the main building. These variations will attract lenders fees which are included in the project costs.
- 2.10 The proposal to expand Allerton Grange School has been developed by City Development's Projects & Programmes Team on behalf of Children's & Families. Under the exclusivity arrangements detailed within the Strategic Partnering Agreement (SPA) the Leeds Local Education Partnership (LLEP) have been appointed to deliver the proposals for Allerton Grange School.

3. Main issues

3.1 Design proposals

- 3.1.1 The proposed work to expand Allerton Grange School consists of the following components:
 - Construction of an extension to the former CLC building to create a further 6 classrooms, staff work room, store room and additional changing rooms to accommodate increased pupil numbers
 - Introduction of a mezzanine floor in the main school building to create increased dining space
 - Conversion of 1 science labs, and 2 group rooms into 2 full sized labs to accommodate full class sizes
 - Conversion of 2 English teaching class bases into science presentation teaching spaces to accommodate full class sizes
 - Separation of the existing 6th form common room into 2 teaching spaces
 - External works for provision of additional parking spaces, electric vehicle charging points, additional pupil and staff cycle storage

- Associated landscaping and external works.
- Off-site highways works as necessary to support the redeveloped school.

3.1.2 The estimated cost of the permanent expansion for Allerton Grange School is £7,202,806, including the £2,151,200.80 approval already utilised for the September 2020 bulge cohort works. The additional capital approval of £5,051,606 includes the construction, furniture and equipment, offsite highways, surveys and fees. Fees include all professional services and lenders fees for agreement via the necessary Deeds of Variation. A client held contingency, commensurate with a project of this value, has been included within the approval figure to address any risks that occur during construction and a separate sum for Covid-19 related risk and potential requirement for performance bonds.

3.1.3 The delivery of works to expand the school will require planning approval. A planning application is programmed to be submitted in August 2020 in order to maintain a tight programme of delivery. Pre-planning application meetings have been held with officers from Planning and Highways prior to the formal submission of the planning application.

3.2 The programme for the works are currently as shown below:

Milestone	Date
Completion of final design layouts	September 2020
Submission of planning application	September/October 2020
Authority to spend	September 2020
Planning approval (allowed for potential plans panel timeframe)	January 2021
Start on site	January 2021
Handover and occupation	September 2021

3.3 Project Delivery

3.3.1 The contract for the project will take the form of a 'head' contract between Leeds City Council and the Leeds Local Education Partnership and a 'pass down contract' between the LLEP and the appointed contractor. In order to mitigate the risk of tier 1 contractor insolvency the LLEP Partnership have allowed for 'step-in' rights in the pass down contract to the contractor.

3.3.2 A letter detailing requirements for 'step-in' clauses, replicated in sub-contracts, is issued at project inception to the appointed tier 1 contractor. Evidence of this is then sought to ensure effective implementation of the 'step in' rights for the LLEP. The main head contract will not be signed without this evidence. This allows the LLEP to take the place of the tier 1 contractor in the event of their insolvency and to take responsibility for the sub-contractors with a view to either ensuring completion or, in the event of longer duration, appointing a replacement tier 1 contractor.

3.3.3 The tier 1 contractor is required to evidence that financial obligations to their sub-contractors have been discharged as part of applications for payment. Monies will not be discharged under payment certificates to the tier 1 contractor until confirmation the supply chain has been paid. This will ensure that sums outstanding to the supply chain are minimised in the event of insolvency, and allows the effective implementation of the 'step-in' rights highlighted in point 3.3.1.

3.3.4 A rigorous counter checking process is to be undertaken to ensure the tier 1 contractor is not over paid. This will ensure that valuations are paid only for completed works thus ensuring sufficient monies available to discharge the remaining contract sum.

3.3.5 The LLEP have diversified their portfolio of contractors and no longer have a preferred contractor. The 2020/21 Learning Places Programme schemes with the LLEP are being

delivered by four separate contractors. This minimises the Authority's exposure to delays and additional cost risk following contractor insolvency.

- 3.3.6 The LLEP's Finance Officer completes ongoing financial checks of all the tier 1 contractor's on the LLEP's frameworks via their annual commercial reports and assessment of their credit rating score. This ensures proactive management of risk by ensuring schemes are only awarded to viable tier 1 contractors.
- 3.3.7 All projects developed for Leeds City Council will be delivered collaboratively, with the opportunity for the Authority to comment and input into the proposed tender methodology and contractor selection. Delivery of cost effective and practical solutions for Leeds is the modus operandi of the LLEP's business.

4. Corporate considerations

4.1. Consultation and engagement

- 4.1.1 The proposed scheme has been subject to consultation with key stakeholders including Children's and Families officers, the Head Teacher and Governing Body and the Executive Member for Learning Skills and Employment. Ward members will be fully briefed on the proposals once the design details for planning submission are finalised and at key stages thereafter.
- 4.1.2 Throughout the design process we have, and will continue to consult with the school and the governing body 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 have been engaged on the development process and are fully supportive of the scheme.
- 4.1.3 Consultation with statutory consultees: Planning and Highways has been ongoing since project inception and will continue as the scheme develops.
- 4.1.4 The publication of the Statutory Notice to expand Allerton Grange School was approved by Executive Board on 12 February 2020. Final determination was subsequently approved by the Executive Board 24 June 2020.
- 4.1.5 The proposals detailed herein have been tabled at Good Learning Places Board and Programme Risk and Control Group and this report has been subject to consultation with the Executive Member for Learning Skills and Employment throughout the process.

4.2. Equality and diversity / cohesion and integration

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

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 ensure there are sufficient school places for all children living in Leeds. Providing places local to where children live improves accessibility, reduces the journey to school and reduces the risk of non-attendance.
- 4.3.2 This contributes to the 2019/2020 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 support the vision in the supporting Children and Young People's Plan 2018-23. , 'Leeds to be the best city in the UK and the best city for children and young people to grow up in. We want Leeds to be a child friendly city'. The programme seeks to deliver a supply of good quality accessible local school places which can contribute to these outcomes.

4.4. Climate Emergency

4.4.1 Full sustainability proposals will be developed in detail as part of the next stage of design and, ultimately, included within the planning application in order to meet the requirements of the associated planning policies, such as EN1 and EN2.

4.4.2 The planning policy requirements for EN1 and EN2 are set out below.

a) Policy EN1 – Climate Change – Carbon Dioxide Reduction

In the expectation that the development will exceed 1,000m² of floor space the following will be required:

- i. Reduce total predicted carbon dioxide emissions to achieve 20% less than the Building Regulations Target Emission Rate until 2016 when all development should be zero carbon, and
- ii. Provide a minimum of 10% of the predicted energy needs of the development from low carbon energy.

Carbon dioxide reductions achieved through criteria (ii) will contribute to meeting criteria (i).

Criteria (ii) will be calculated against the emissions rate predicted by criteria (i) so reducing overall energy demand by taking a fabric first approach will reduce the amount of renewable capacity required.

b) Policy EN2 – Sustainable Design & Construction

Adhere to the Leeds BREEAM standard of 'Excellent' for non-residential buildings. A BREEAM pre-assessment is to be undertaken at the earliest available opportunity to determine the most cost effective solutions to this requirement.

c) Policy EN8 – Electric Vehicle Charging Infrastructure

All applications for new development which include provision of parking spaces will be required to meet the minimum standard of provision of electric vehicle charging points. This requires:

- ii. Office / Retail / Industrial / Education: charging points for 10% of parking spaces ensuring that electricity infrastructure is sufficient to enable further points to be added at a later stage.

d) The project should respond to the sustainable travel policies outlined in the 'Leeds Core Strategy', particularly in reference to the following:

- i. Policy T1 – Transport Management
- ii. Policy T2 – Accessibility requirements and new developments
- iii. Policy P10 – Design

Noting the requirements outlined in the 'Parking SPD', 'Travel Plan SPD' and 'Sustainable Educational Travel Strategy for Schools and Colleges 2017 – 2021'.

- 4.4.3 The contractors for the proposed developments will need to demonstrate a robust Waste Management Plan, be registered with the 'Considerate Constructors Scheme', of which, the main consideration of the scheme falls into three categories: The general public, the workforce and the environment. Contractors will also need to be sympathetic to the 'Leeds Talent and Skills Plan' by seeking to employ local trades where possible thus reducing the impact of extended travel.
- 4.4.4 The following standard planning conditions will be addressed as the project develops:
- Development of the school 'Travel Plan' to seek sustainable travel options, the project will respond to the requirements of the Travelwise Team and colleagues from Highways to ensure appropriate pedestrian and cycle provisions are allowed for.
 - To protect and enhance the visual amenity approved plans will need to include a programme of replacement tree planting at a 3:1 ratio. Tree loss will be kept to a minimum with any replacement anticipated to be 'extra heavy standard'.
 - In the interests of promoting sustainable travel opportunities electrical vehicle charging points will be provided as part of the scheme at the appropriate ratio.

4.5. Resources, procurement and value for money

- 4.5.1 In February 2020 it was reported to Executive Board that, based on Department for Education funding allocation of £16,056 per new secondary place, the funding that would be provided to the Council for the 60 place permanent expansion of Allerton Grange School would be £4.82m. The Final Determination report of the statutory Notice to Executive Board in June 2020 to approve the expansion included this indicative £4.82m figure as a construction only cost estimate of the proposed scheme.
- 4.5.2 As a PFI school, expanding Allerton Grange may attract additional PFI related costs, such as: Special Purpose Vehicle (SPV) project management fees; SPV legal team fees; Facilities Management Company fees; lenders legal team costs; lenders fees; fees associated with board approval; and LCC legal and LCC PFI team costs. No design development or survey fees, planning costs, offsite highways works or insurance requirements were accounted for in this initial high level construction estimate figure.
- 4.5.3 The estimated cost of the permanent expansion for Allerton Grange School is £7,202,806 which includes the £2,151,200.80 approval already utilised for the September 2020 bulge cohort works. The additional capital requirement of £5,051,606 includes the construction works, furniture and equipment, offsite highways, surveys, fees (including all professional and lenders fees for the Deeds of Variation to the PFI) and a client held contingency, commensurate with a project of this value.
- 4.5.4 The construction cost for both phases is £5.14m, which is only £0.32m over the original construction only estimate. The cost estimate of the full scheme now reflects the difference between the initial high level construction only estimate and the true cost of all associated works and fees.
- 4.5.5 The DfE scorecard average cost per pupil rate across England for secondary places is £23,775 which means that the full scheme cost proposals for the 2 FE expansion at Allerton Grange School are in line with average rates (the cost would be £7,132,500 if £23,775 is applied). The issue relating to the delivery of secondary school places relates to the funding allocation of £16,056 per pupil place against the £23,775 national average, meaning that

each school place which is created is underfunded by £7,716 which has been met in part by the Council through Community Infrastructure Levy funding for the last 3 years.

- 4.5.6 The cost will be met through capital scheme number 33177/AGR/000 as part of the Learning Places Programme. Any opportunity as the design develops for value engineering will be pursued with the aim of reducing capital outlay against the total sum reported here.
- 4.5.7 Completion of the works are essential in order to accommodate the shortfall in secondary places detailed in this report for September 2021 which are to be addressed by increasing the PAN for Allerton Grange School.
- 4.5.8 Ongoing risk potential of labour resource availability and procurement delays as a consequence of the Covid-19 will be closely monitored throughout progress, regardless the programme and cost tolerances noted in this report remain the critical path and every endeavour will be made to adhere to them by the project team.
- 4.5.9 A benchmarking exercise has been undertaken by NPS on the construction costs comparing recent projects being delivered through the Learning Places Programme and the cost proposals for Allerton Grange is in line with other schemes.

4.6. Capital funding and cash flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH				
		2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
LAND (1)	0.0					
CONSTRUCTION (3)	1,898.5		1,898.5			
FURN & EQPT (5)	60.0		60.0			
DESIGN FEES (6)	12.5		12.5			
OTHER COSTS (7)	180.2		180.2			
TOTALS	2,151.2	0.0	2,151.2	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH				
		2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
LAND (1)	0.0					
CONSTRUCTION (3)	3,243.3		1,937.2	1,306.1		
FURN & EQPT (5)	65.0		45.0	20.0		
DESIGN FEES (6)	87.5		37.5	50.0		
OTHER COSTS (7)	1,655.8		450.1	1,205.7		
TOTALS	5,051.6	0.0	2,469.8	2,581.8	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH				
		2020 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023 On £000's
Basic Need Grant	7,202.8		4,621.0	2,581.8		
Total Funding	7,202.8	0.0	4,621.0	2,581.8	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0

4.7. Revenue effects

- 4.7.1 Any additional revenue consequences that may arise as a result of the project will be managed within the schools budget. Any PFI life cycle costs that may result from the expansion works, will need to be quantified and accepted / agreed by the school before the permanent expansion works commence.

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

- 4.8.1 The approval of this report constitutes a 'Key Decision' and as such will be subject to 'Call-in'.
- 4.8.2 There are no other legal implications or access information issues arising from this project

4.9. Risk management

- 4.9.1 Risk has been managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Project management resource from City Development is tasked with ensuring the project remains within the predetermined risk tolerances
- 4.9.2 A joint risk log will be developed with the appointed contractor to ensure all construction related risks for the project are identified together with the relevant owner of the risk. The Council's project risk log will continue to 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 Projects and Programme, City Development
- 4.9.3 The full extent of the Covid-19 global pandemic is still to manifest, and as such remains a 'known unknown' risk. Consequently it is not possible to mitigate this risk to its fullest extent as it is not known how deep or far reaching it will be. The cost plan detailed herein is priced to reflect the position known at the current stage as such they reflect the known risk of Covid-19 at this time and have adjusted accordingly, resulting in increased prelims, a longer programme, additional costs associated with productivity limitations as a result of social distancing etc. Any new escalation of the pandemic, outside of the known parameters, or changes to current Government guidance, remains an unknown and prevalent risk. The project team will continue to monitor this and report back to the Head of Programmes & Project at regular intervals.
- 4.9.4 As well as a client held contingency commensurate with a project of this value to address any risks during construction, a separate sum for Covid-19 related risk has been allocated within the budget.
- 4.9.5 The contract for the project will take the form of a 'head' contract between Leeds City Council and the Leeds Local Education Partnership and a 'pass down contract' between the LLEP and the appointed contractor. In order to mitigate the risk of tier 1 contractor insolvency the LLEP Partnership have allowed for 'step-in' rights in the pass down contract to the contractor.
- 4.9.6 In addition to the above measures a performance bond for 10% of the construction cost is to be secured and, along with evidence of the 'step-in' clauses, completion of this will be a stipulated requirement of LCC entering into the construction contract.

- 4.9.7 Completion of the work detailed in this report is essential in order to provide the required accommodation associated with the additional secondary places needed at Allerton Grange School for September 2021.
- 4.9.8 The planning applications required for this project are due to be submitted in September / October 2020 and proceeding with the construction is subject to receiving planning approval. As with all planning applications there is a risk that the application may be referred to plans panel which could impact programme.
- 4.9.9 Any decision not to proceed at this stage would likely result in delays and risks the local authority's ability to meet its statutory duty for sufficiency of learning places for September 2021. There is also a corporate risk associated with failing to provide sufficient learning places in good quality buildings that meet the needs of local communities.
- 4.9.10 If the proposal does not proceed there is a risk that increased demand for places in the local area would have to be met further from the area of need, reducing the opportunity for more children and young people to walk to their local school, and potentially increasing journey times and car use.

5. Conclusions

- 5.1 In order to implement the approved increased PAN at Allerton Grange School for September 2021 it is necessary to deliver the works detailed in section 3.0 *Main Issues – Design Proposals*.
- 5.2 If the proposal does not proceed there is a risk that increased demand for places in the local area would have to be met further from the area of need, reducing the opportunity for more children and young people to walk to their local school, and potentially increasing journey times and car use.
- 5.3 The impact of the Covid-19 pandemic on the successful delivery of the project is subject to continual monitoring and mitigation measures, the overall risk remains an unknown at present however the Project Team are taking every step to ensure the project remains within the critical path and funding tolerances detailed herein.
- 5.4 The cost plan detailed herein is priced to reflect the position known at the current stage as such they reflect the known risk of Covid-19 at this time and have adjusted accordingly, resulting in increased prelims, a longer programme, additional costs associated with productivity limitations as a result of social distancing etc. Any new escalation of the pandemic, outside of the known parameters, or changes to current Government guidance, remains an unknown and prevalent risk. The project team will continue to monitor this and report back to the Head of Programmes & Project at regular intervals. As well as a client held contingency commensurate with a project of this value to address any risks during construction, a separate sum for Covid-19 related risk has been allocated within the budget.
- 5.5 The delivery of the works will be managed by City Development's Projects & Programme's Team in Asset Management and Regeneration on behalf of Children's & Families in conjunction with the joint venture partners (NPS), the Leeds Local Education Partner (LLEP), the appointed contractors, the school and other key stakeholders.

6. Recommendations

- 6.1 Executive Board is requested to:
- 6.2 Approve authority to spend and incur expenditure of £5,051,606 from capital scheme number 33177/AGR/000 for the redevelopment and expansion of Allerton Grange School for September 2021.

- 6.3 Note the overall scheme costs will be £7,202,806 incorporating the existing approval of £2,151,200.80 for the bulge expansion for September 2020.
- 6.4 Note that expenditure for the construction of the permanent expansion works are subject to planning approval.
- 6.5 Note that the former CLC building is in the ownership of Leeds City Council and not part of the PFI; the extension to the former CLC building will be subject to a deed of variation to remove this section of the site from the PFI agreement such that the extended building remains wholly in LCC ownership. A further deed of variation will be required for PFI approval to undertake remodelling works within the main school building.
- 6.6 Approve the implementation of a City Council Change under the PFI contract and approve the entering in to of any associated documentation including without limitation a deed of variation (as required). Authorise the Head of Service, Learning Systems to review and approve any such documentation.
- 6.7 Note the programme dates identified in section 3.2 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.
- 6.8 Note that the officer responsible for implementation is the Head of Service Learning Systems in Children's and Families Directorate.

7. Background documents¹

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.