

**Report of the Head of Service, Learning Systems**

**Report to the Director of Childrens & Families**

**Date: 20th November 2020**

**Subject: Approval to Spend request for the Learning Places Programme development of the East Leeds Free School**



Are specific electoral wards affected? If yes, name(s) of ward(s): Burmantofts and Richmond Hill	<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 type="checkbox"/> Yes <input checked="" 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**

**1. Main Issues**

- The purpose of this report is to seek ‘approval to spend’ for a capital expenditure sum of £30m from capital scheme number 32735/000/000 for the delivery of the East Leeds Free School on land purchased from Arcadia Group for the purposes of this development. This will provide a new 1,200 place secondary school, with 30 specialist SEN places, with effect from September 2021.
- In September 2019 provisional ‘approval to spend’ was granted for development of the East Leeds Free School, this provided a budget estimate of between £25m and £30m for the project. Following development of the scheme, and identification of all the associated supporting costs, it has been determined that a budget of £30m is required to deliver all aspects of the proposed facility. This includes all fees, construction costs, furniture and equipment, ICT provision and appropriate client held contingency. Draw down of this funding will be subject to future specific design cost reports, when the final financial estimate is available for each applicable package. The ‘approval to spend’ figure requested for final approval herein will not be exceeded.
- There is a need for additional secondary school places arising from population growth in East Leeds and other districts that have a close association with this area of the city. Current projections indicate that up to 17.5 forms of entry (525 places) of additional places are likely to be required across these combined areas by 2023/24. There is also an identified shortage of SEND places in East Leeds. This demand cannot be fully addressed by expanding existing secondary schools, therefore, it was proposed to establish a new eight form entry secondary free school for pupils aged 11-16, including a ‘Resourced

Provision' for approximately 30 pupils with specially education needs. As such land within the area of need, namely the Arcadia Group fields off Torre Road, has been purchased to facilitate the construction of a new 1,200 place secondary school and 30 place special educational needs, constructed to Department for Education (DfE) standards and specifications.

- Following identification of the need for a new secondary school a competition was undertaken, under section 6A of the Education and Inspections Act 2006, to identify a suitable sponsor for the 'free school presumption'. Applications to run the school were sought from high quality sponsors with have a proven track record of improving educational attainment for children and young people, including those vulnerable to poor learning outcomes, within a fully inclusive environment. Following completion of this exercise, and adjudication by the Regional School Commissioner (RSC) for Lancashire and West Yorkshire, Trinity Multi-Academy Trust were appointed to run the proposed new school.
- Development of the proposed 'free school presumption' has been undertaken with the Leeds Local Education Partnership, with Galliford Try PLC as the appointed construction partner. The proposals have been developed in-line with the Department for Education's standardised designs and specification. Upon appointment of the sponsor the Trinity MAT have been included within all engagements and have tailored the proposals to meet their curriculum model.
- Following positive determination of the planning application on the 21<sup>st</sup> August 2020 three packages of 'early works' were approved at a total value of £7,370,824 (D52163, D52186 and D52295). The 'early works' programme allowed for essential site preparatory works and procurement activities to take place as necessary to meet the ambitious construction programme.
- Due to the constrained programme, from inception in January 2020 to delivery of the first phase in September 2021, it is necessary to secure 'approval to spend' of the identified scheme budget of £30m in advance of financial close. This will ensure that once the 'Stage 2' tender has been reviewed and ratified by the Authority's independent technical and financial consultants, NPS Leeds. Ltd., the award of the contract can be enacted, in-line with the critical path programme dates, at the approval of the Director of Childrens & Families, in consultation with the Executive Member for Learning, Skills and Employment, the Director of City Development and the Director of Resources and Housing via the School Places Programme Board.
- The impact of the Covid-19 pandemic on project risk, programme and cost is currently unknown, this is being actively managed by the Project Team to ensure the scheme remains within the tolerances outlined herein.

## **2. Best Council Plan Implications**

- 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.
- 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 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.

### **3. Resource Implications**

- To date £7,370,824 has been committed to the project to enable delivery of the 'Early Works' programme and development fees from inception to financial close in late October 2020. This total was covered under three separate approval reports (DDN reference D52163, D52186 and D52295 respectively).
- The cost will be met through capital scheme number 33177 / EAS / 000 as part of the Learning Places Programme.

### **4. Recommendations**

The Director of Childrens & Families is requested to:

- a) Set the overall project budget for the development of the East Leeds Free School at £30m and provide 'approval to spend' on £22.63m, noting that £7.37m has been previously approved under the 'early works' programme. Draw down of the budget will be subject to future design cost reports and approvals at the appropriate juncture.
- b) Note, the full scheme budget figure of £30m is inclusive of all aspects of the project with the exception of the required off-site Highways works and land purchase. It includes; the construction contract figure, client held contingency, furniture and equipment, service connections etc.
- c) Note, provisional 'approval to spend' was granted at the September 2019 Executive Board and identified a budget between £25m and £30m, which was subject to development of the scheme.
- d) 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.
- e) 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 an update on development of the new 1,200 place East Leeds Free School on land the former Arcadia Group land located off Torre Road.
- Seek approval to set the holistic project budget at £30m and provide 'authority to spend' on this figure, subject to submission of future design and cost reports. Noting that this builds upon the provisional 'approval to spend' figure of £25m to £30m approved at the September 2019 Executive Board.

## **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 in Asset Management & Regeneration.
- 2.2. There is a need for additional secondary school places arising from population growth in East Leeds and other districts that have a close association with this area of the city, such as central inner city residential zones and the Inner North. Current projections indicate that up to 17.5 forms of entry (525 places) of additional places are likely to be required across these combined areas by 2023/24. There is also an identified shortage of SEND places in East Leeds. This demand cannot be fully addressed by expanding existing secondary schools, therefore, it was proposed to establish a new 8 form entry (FE) (1,200 place / 240 pupils per year group) secondary free school for pupils aged 11-16, including a 'Resourced Provision' for approximately 30 pupils who may also have a diagnosis of Autism Spectrum Condition (ASC), in inner East Leeds from September 2021.
- 2.3. In recognition of this requirement and following on from a detailed site search across East Leeds, part of the 17.6ha Arcadia site was identified as the preferred site due to; its mixed-use allocation in the Site Allocations Plan, its location in relation to the area of demand, its location close to several local primary schools, its location in relation to the number of allocated housing sites within a 3 mile radius of the site and its potential to accommodate a new 8FE secondary school alongside the potential for a Specialist Education Provision (SEN) in the future.
- 2.4. In March 2019, Executive Board approved the commencement of negotiations with the Arcadia Group for the acquisition of the 2.77ha of playing field at their Torre Road / Burton Road site to address part of the 17.5 forms of entry requirement across inner east Leeds identified up to 2023/24. Discussions continued with the Arcadia Group culminating in a further request to the Executive Board in May 2020 to approve the Authority entering into Heads of Terms and provide 'authority to spend' on the land purchase price (detailed within a confidential appendix). Purchase of the land is now complete and fully in Leeds City Council ownership.
- 2.5. Under section 6A of the Education and Inspections Act 2006 (the 'free school presumption'), where a local authority identifies the need to establish a new school it must, a proposal was brought forward by Leeds City Council to establish an Academy School on the Arcadia land. Following approval at the September 2019 Executive Board permission was granted to run a 'free school presumption' in order to identify a suitable sponsor for the East Leeds Free School. Applications to run the school were sought from high quality sponsors with have a

proven track record of improving educational attainment for children and young people, including those vulnerable to poor learning outcomes, within a fully inclusive environment.

- 2.6. Bids to run the new free school were submitted and assessed by the Council on a points based scoring system. The outcome of this was reported to the Regional School Commissioner (RSC) for Lancashire and West Yorkshire, on behalf of the Secretary of State, who considers the Local Authority assessments and recommendations before deciding which proposer is in the best position to take the new school forward. Following completion of this process the Regional Schools Commissioner has determined that the bid presented by Trinity MAT was the most suitable in this instance. They have since been formally appointed as the sponsor. Once in place Trinity MAT have been included fully within the design development process, with the proposals subsequently being refined to conform to their curriculum model.
- 2.7. At the September 2019 Executive Board provisional 'approval to spend' of between £25m and £30m was granted for the proposed new East Leeds Free School.
- 2.8. The proposal to deliver the new East Leeds Free School on the Arcadia Group land has been developed by City Development's Projects & Programmes Team on behalf of Childrens & Families. Under the exclusivity arrangements detailed within the Strategic Partnering Agreement (SPA) the Leeds Local Education Partnership have been appointed to deliver the proposals for East Leeds Free School.
- 2.9. The proposal detailed within this report have been procured under the Strategic Partnering Agreement (SPA) between the LLEP and Leeds City Council. The associated procurement rules applied to this process has been adhered to. The exclusive supplier arrangements, detailed under CPR 3.1.5, have been invoked in this instance. Construction contracts developed through the SPA are delivered by Leeds D&B One Ltd. Following completion of a competitive tender exercise Galliford Try Plc. have been appointed as principal contractor for delivery of the East Leeds Free School scheme. They are currently developing the proposals to financial close and submission of the Stage 2 tender cost, approval of which will be subject to a future design cost and tender acceptance report.
- 2.10. The proposal to deliver the proposed East Leeds Free School off Torre Road has been subject to ongoing development since January 2020. Within this period the planning application was submitted on the 4<sup>th</sup> May 2020, following an online public pre-planning consultation, instigated in response limitations as a consequence of the Covid-19 lockdown. Detailed design has continued, in-line with the 'Pre-Construction Services Agreement' (PCSA) agreement, whilst the planning application follows the statutory determination process. The application itself was determine on the 21<sup>st</sup> August 2020, all pre-start conditions have been adhered to under the 'early works' programme and the remainder of the condition will be addressed in the main contract period.
- 2.11. The proposals for the East Leeds Free School continue to be developed in conjunction with the school management team and associated statutory consultees, in-line with accommodation standards detailed within 'Building Bulletin 103: Area Guidelines Mainstream Schools' and 'Building Bulletin 104: SEND and Alternative Provisions Guidelines'.
- 2.12. These proposals form part of the Council's Learning Places Programme and embeds the 'One Council' approach in terms of shared ownership of proposed solutions across the various departments involved.
- 2.13. An 'early works' programme was commissioned following planning approval to prepare the site for development and procure essential long lead-in items, such as steelwork and pre-cast components. These works were essential to ensure the phase opening of the school could commence from September 2021. Three packages of 'early works' were approved across the following reports, with the latter including development costs from inception to

financial close; 'Early Works' package #01 approved on the 29<sup>th</sup> July 2020 (DDN reference D52163) at a value of £470,798, 'Early Works' package #02 approved on the 10<sup>th</sup> August 2020 (DDN reference D52186) at a value of £498,890 and 'Early Works' package #03 approved on the 25<sup>th</sup> September 2020 (DDN reference D52295) at a value of £6,401,136.

### **3.0 Main Issues**

#### **3.1. Design proposals and full scheme description**

3.1.1. The development of the East Leeds Free School create a brand new 1,200 place secondary school, with additional capacity for 30 SEN pupils, to be operated by the Trinity Academy Trust. The development itself will comprise of the following key components:

- Construction of a three storey 1,200 place teaching block, with integrated 30 place SEN provision, and a standalone sports hall block. Proposed new accommodation is to be based on Department for Education standardised designs and specifications, including for sprinkler coverage and the required response to Planning Policy regarding climate change.
- Associated landscaping and external works including provision of car and cycle parking.
- Provision of a FA standard 3G all-weather pitch with associated sports lighting.
- Provision of fixed furniture and equipment in-line with the standard ESFA funding formula for this element.
- Off-site highways works as necessary to support the redeveloped school.

3.1.2. A planning application for the proposed works was submitted on the 4<sup>th</sup> May 2020 and was determined on the 21<sup>st</sup> August 2020. Prior to submission briefings were held with Ward Members and a virtual public pre-planning drop-in sessions was convened. The latter was in response to Covid-19 lockdown restrictions, the online consultation was advertised to a wide catchment area via a leaflet drop and the documents were held online for a sustained period to allow sufficient time for comment and review utilising the identified channels. A number of community groups, identified by Local Ward members, were also consulted.

3.1.3. Procurement & Commercial Service will provide legal and contractual support with the drafting of the construction contract at the appropriate juncture. This will take the form of a NEC3 contract between LCC and D&E One Co. (the LLEP). Signing of the head contract will be subject to the evidence of the agreed 'step-in' requirements being enacted in all the pass down contracts. A performance bond will also be requested from the principal contractor to cover events of insolvency, further detail will be available within the final scheme design cost report and tender award.

3.1.4. Due to the accelerate development process, which commenced in late January 2020, the East Leeds Free School will be delivered over two phases. 'Phase One' will allow the school to open from September 2021 and will provide the essential accommodation and resources needed to accept the first cohort of 240 pupils into Year 7. 'Phase Two' will follow in late 2021 / early 2022 and will provide the remaining accommodation. Both phases are subject to delay risk associated with weather, Covid-19, delays in approvals etc., which is being actively managed by the Project Team.

3.1.5. Extensive consultation with Planning, Highways, Landscape Design and Urban Design was undertaken throughout the design development of the proposed East Leeds Free School. The application submitted to Planning is a culmination of this consultation and addresses all the concerns raised as much as is practical.

- 3.1.6. Briefing sessions have been held with the Ward Members on the 11<sup>th</sup> March 2020 and 29<sup>th</sup> June 2020, these will continue as development on the project progresses.
- 3.1.7. To date £7,370,824 has been committed to the project to enable its development, constituting; professional services fees, surveys and other essential development costs.

## 3.2. Programme

- 3.2.1. The key milestones for the project are noted below;

Milestone	Date
Planning Permission Target Determination	21 <sup>st</sup> August 2020
Approval of 'Authority to Spend'	w/c 19 October 2020
'Call-in' period expiry (if applicable)	Late November 2020
Final 'Contractors Proposals' issued	Late November 2020
Tender Acceptance & Design Cost Report	Early December 2020
Contract award	December 2020
Completion of Phase 1 works	31 <sup>st</sup> August 2021
Completion of Phase 2 works	24 <sup>th</sup> January 2022
Completion date	18 <sup>th</sup> February 2022

- 3.2.2. Approval of 'authority to spend' is vital to ensure the critical path dates noted above are met and the school delivered for occupation by staff in August 2021 and for pupils in September 2021.
- 3.2.3. Failure to meet the critical path dates noted and, crucially, the August 2021 handover of 'Phase One' will exponentially increase the probability of temporary decant accommodation being required. The cost for this is currently unknown and will be logistically challenging and complex to deliver due to the lack of space at the Torre Road site during the construction programme. Once the site welfare and construction zones are factored in there is little remaining capacity on the Torre Road site in which to deploy temporary accommodation, such as modular classrooms. The figure sought for 'approval to spend' within this report does not account for the necessity of any temporary decant accommodation as a consequence of delay in handover of 'Phase One'.
- 3.2.4. Note; the programme detailed in section 3.2.1 reflects the position prior to the outbreak of the Covid-19 pandemic and the lockdown measures imposed on the 23<sup>rd</sup> March 2020. Whilst the project team is endeavouring to meet these dates the programme dates remain a guide at this time and are subject to changes due to local lockdowns or a second wave of the virus. The critical path remains as such and will be targeted regardless of a delayed start or the impact upon availability of labour and materials.

## 4.0 Corporate considerations

### 4.1. Consultations and engagement

- 4.1.1. A report to Executive Board on the 19<sup>th</sup> May 2020 summarised progress to date with respect to both the purchase of the Torre Road fields from the Arcadia Group and the free school presumption process and associated competition to appoint the sponsor. Approval was granted at this juncture provided 'authority to spend' on the costs associated with the land purchase and to enter into 'Heads of Terms'. These tasks have been subject to separate consultation processes to the development of the new school building.
- 4.1.2. Commencement of the 'free school presumption' process has been subject to its own consultation process, culminating in a report to the Executive Board in September 2019. Wherein permission was granted to run a 'free school presumption' in order to identify a suitable sponsor for the East Leeds Free School. Applications to run the school were

sought from high quality sponsors with have a proven track record of improving educational attainment for children and young people, including those vulnerable to poor learning outcomes, within a fully inclusive environment. Adjudication of the bids has been determined in consultation with the Regional School Commissioner (RSC) for Lancashire and West Yorkshire, on behalf of the Secretary of State.

- 4.1.3. The proposed permanent expansion scheme has been subject to consultation with key stakeholders including; Childrens & Families officers, Burmantofts & Richmond Hill Ward Members and the Executive Member for Learning, Skills and Employment. Consultation has also involved school staff, the local residents and other colleagues within the Council.
- 4.1.4. Representation from the Multi-Academy Trust, Trinity MAT, have been present at all design development meetings following their appointment.
- 4.1.5. Consultation with statutory consultees, namely Planning, Landscape, Highways and Urban Design, Public Rights of Way etc. has been ongoing since project inception and will continue throughout the project lifetime.
- 4.1.6. Prior to the submission of the planning application a full public consultation on the proposals was convened and managed by Galliford Try and their associated professional consultant partners. This was held virtually due to the lockdown following the Covid-19 pandemic. Leaflets were issued to local residents in a wide radius around the school, with interested parties then directed to an online portal where the drawings were held. Contact details were also provided, with any comments collated by the Planning Consultation and addressed within the proposals where appropriate.
- 4.1.7. Officers from City Development's Projects & Programmes Team have routinely briefed Ward Members throughout the projects inception. This will continue throughout the detailed design process and ultimate delivery on-site.

#### **4.2. Equality and diversity / cohesion and integration**

- 4.2.1. The recommendations contained in 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 for this scheme (attached at Appendix A) and the outcome of the screening is that an independent impact assessment is not required for the proposals set out in 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 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 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 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.

#### **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. The works detailed herein are preparatory and procurement tasks and as such do not deliver the aims detailed below, as these are part of the main construction element of the project delivered upon completion of the full scheme. The 'early works' period will however contribute to points 4.5.5 and 4.5.6 noted below.

4.4.2. Requirements to meet the following planning policy requirements were included as part of the Authority's tender requirements.

a) Policy EN1 – Climate Change – Carbon Dioxide Reduction

In the expectation that the development will exceed 1,000m<sup>2</sup> 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. Galliford Try have implemented a 'fabric first approach' to meeting these criteria, wherein the construction methodology maximises the performance of the components and materials

that make up the building. This ensure the building is as passively energy efficient as possible in its operation, before mechanical and electrical solutions are utilised to supplement and further improve this criteria. Examples of this in action include; maximising air tightness, high insulation, utilising the thermal mass of the building etc. This is then supplemented, where necessary, with active measures, such as photovoltaic panels.

4.4.4. Further opportunities to exceed the requirements noted within Planning Policy EN1 are being sought in partnership with the Authorities Climate Change Team, inclusion of which will be subject to separate and new funding sources.

4.4.5. A sustainable approach to design will continue into the next phase of development to ensure a cost effective and resource efficient facility is delivered. The following elements will be considered as the proposals and logistical plans developed:

- Optimises passive design measures, including fabric first principles.
- Minimises the use of all resources.
- Reducing the demand for energy and water use during the 'Works Period' and in use.
- Minimises construction waste and CO<sub>2</sub> emissions during the 'Works Period'.
- Allows opportunities for recycling during the 'Works Period'.

4.4.6. The contractor for the proposed development 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.

4.4.7. 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.

4.4.8. The planning application has now been determined and all conditions associated with the above are known and are being addressed by the design team.

#### 4.5. **Resources, procurement and value for money**

4.5.1. The contractor has been appointed via the Strategic Partnering Agreement (SPA) between the LLEP and Leeds City Council. The associated procurement rules applied to this process has been adhered to. The exclusive supplier arrangements, detailed under CPR 3.1.5, have been invoked in this instance.

4.5.2. The first phase of the tender has been analysed by NPS Leeds Ltd. on behalf of the Authority and the LLEP, from both a technical and financial perspective. The NPS Quantity Surveyor has confirmed that the tendered figure from Leeds D & B One Ltd, via Galliford

Try Construction Limited, offers value to the Authority and minimises the associated scheme risk.

4.5.3. NPS Leeds Ltd. will provide the necessary technical advisory services to assure that the construction works carried out by Galliford Try Construction Limited is aligned with the requirements of the brief, meets the standards set in the output specification, offers value financially and is delivered within the parameters of the programme.

4.5.4. A 'Tender Acceptance & Design Cost Report' for the full scheme budget will be submitted following completion of 'Stage 2' of the tender scheduled for late October 2020. This will build on the 'Stage 1' tender price following completion of the PCSA activities and will represent the final contract sum for constructing the building.

4.5.5. Potential labour resource availability and procurement delays as a consequence of the Covid-19 pandemic are currently being investigated, regardless the programme and cost tolerances noted within this report remain the critical path and every endeavour will be made by the project team to adhere to them.

4.5.6. Based on an the holistic 'approval to spend' figure of £30m (excluding land acquisition and off-site highways works but inclusive of all other construction costs including; extensive site abnormalities, the SEN provision, professional fees, surveys, client held contingency and furniture & equipment etc.) the cost per pupil is £25,000. Utilising the construction cost estimate only the projected cost per pupil reduces to £20,064.46.

4.5.7. The cost will be met through capital scheme number 32735 000 000 as part of the Learning Places Programme.

#### 4.6. Capital Funding & Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2020 £000's	2020/21	2021/22	2022/23	2023 On
			£000's	£000's	£000's	£000's
LAND (1)	0.0					
CONSTRUCTION (3)	4852.8		4852.8			
FURN & EQPT (5)	0.0					
DESIGN FEES (6)	46.1		46.1			
OTHER COSTS (7)	2471.9	528.5	1943.4			
<b>TOTALS</b>	<b>7370.8</b>	<b>528.5</b>	<b>6842.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2020 £000's	2020/21	2021/22	2022/23	2023 On
			£000's	£000's	£000's	£000's
LAND (1)	0.0					
CONSTRUCTION (3)	19068.4		9733.4	8972.8	362.2	
FURN & EQPT (5)	2029.5			1449.5	145.0	435.0
DESIGN FEES (6)	50.0		22.5	22.5	5.0	
OTHER COSTS (7)	1481.3		363.6	1107.7	10.0	
<b>TOTALS</b>	<b>22629.2</b>	<b>0.0</b>	<b>10119.5</b>	<b>11552.5</b>	<b>522.2</b>	<b>435.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2020 £000's	2020/21	2021/22	2022/23	2023 On
			£000's	£000's	£000's	£000's
Basic Need Grant	30000.0	528.5	16961.8	11552.5	522.2	435.0
Total Funding	30000.0	528.5	16961.8	11552.5	522.2	435.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Parent Scheme Number: 33177/000/000

Title: Basic Need Expansions 2021/22

#### **4.7. Revenue Effects**

4.7.1. No revenue consequences are anticipated to arise from the proposals described in this report.

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

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

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

#### **4.9. Risk management**

4.9.1. The outbreak of the Covid-19 pandemic and imposition of lockdown measures on the 23<sup>rd</sup> March 2020 remain an escalating risk to the project, whilst it is too early to assess the full impact of this virus on project success every endeavour is being made by the Project Team to manage this risk and ensure the scheme remains within the tolerances outlined herein.

4.9.2. 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.

4.9.3. 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.

4.9.4. The key risk to the project at present remains the potential for delay. Galliford Try Construction Limited's programme is predicated on works commencing for August 2021 in order to facilitate the opening of 'Phase One' in time for the start of the 2021/22 academic year. Any delay in signing the construction contract will have a cumulative effect at the back end of the programme and exponentially increases the probability of a temporary site and accommodation being required at an unknown cost. This will result in significant additional costs in order to accommodate the first cohort of 240 pupils elsewhere. Therefore, approval of 'authority to spend' is critical to mitigate this risk. By providing approval of the £30m project budget in advance of financial close it will allow a swifter turnaround time for future reports. Thus ensuring the critical path is met.

#### **5.0 Conclusion**

5.1. Construction of the East Leeds Free School is critical to the Authority's strategy in ensuring sufficiency of places for the commencement of the 2021/22 academic year in September 2021. As it is not possible to accommodate the pupils within other schools in the locality it is vital that the new school is available for opening to meet this demand. Failure to deliver the construction project, and handover 'Phase One' in August 2021, will result in the need for temporary accommodation for 240 pupils elsewhere within the locality and at significant cost.

5.2. Provisional 'approval to spend' of between £25m and £30m was granted at the September 2019 Executive Board. Following design development of the scheme and confirmation of outline budgets for all supporting costs, including a suitable client held contingency and furniture & equipment costs, the overall project budget has an estimated maximum expenditure of £30m. This report seeks to confirm this figure and acquire the necessary approvals to allow future Design Cost Reports, dealing with the final detailed costs, to be approved swiftly and in line with the delivery programme outlined in section 3.2 herein.

- 5.3. In order to ensure the critical path programme dates are met, and 'Phase One' of the redevelopment opens in August 2021, it is essential to provide 'authority to spend' on the proposed project budget of £30m. This will allow future reports to be approved in-line with the construction programme, thus ensuring the key dates can be met.
- 5.4. To ensure that rigour and value are maintained throughout this process Norfolk Property Services Limited (Leeds) will undertake financial and technical review of the 'Stage 2' tender submission from Galliford Try Construction Limited, due in late October 2020. This will provide a robust third party analysis of the proposal and will ensure value is achieved for the Authority.
- 5.5. 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.
- 5.6. The delivery of the East Leeds Free School will be managed by City Development's Projects & Programme's Team in Asset Management and Regeneration on behalf of Childrens & Families in conjunction with the joint venture partners (NPS), the Leeds Local Education Partner (LLEP), Galliford Try, the school and other key stakeholders.

## **6.0 Recommendations**

- 6.1. The Director of Childrens & Families is requested to:
  - 6.1.1. Set the overall project budget for the development of the East Leeds Free School at £30m and provide 'approval to spend' on £22.63m, noting that £7.37m has been previously approved under the 'early works' programme. Draw down of the budget will be subject to future design cost reports and approvals at the appropriate juncture.
  - 6.1.2. Note, the full scheme budget figure of £30m is inclusive of all aspects of the project with the exception of the required off-site Highways works and land purchase. It includes; the construction contract figure, client held contingency, furniture and equipment, service connections etc.
  - 6.1.3. Note, provisional 'approval to spend' was granted at the September 2019 Executive Board and identified a budget between £25m and £30m, which was subject to development of the scheme.
  - 6.1.4. 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.
  - 6.1.5. Note that the officer responsible for implementation is the Head of Service Learning Systems.

## **7.0 Background documents<sup>1</sup>**

- 7.1. None

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<sup>1</sup> 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.