

## **Design & Cost Report and Tender Acceptance for the Learning Places Programme project to form the West Oaks School 'Headingley Learning' facility at Buckingham Road**

Date: 4<sup>th</sup> October 2021

Report of: Project Manager, City Development

Report to: Director Children & Families

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### **What is this report about?**

#### **Including how it contributes to the City's and Council's ambitions**

- The purpose of this report is to seek approval to incur capital expenditure of £9,767,967 from capital scheme number 33177/RCT/000 for the construction works necessary to create the 'Woodhouse Learning' campus as an expansion of West Oaks School. In addition, to seek acceptance of the from Henry Boot Construction Ltd. via the Leeds Local Education Partnership and to enter into the associated contract(s) for the works.
- The establishment of a third campus, 'Headingley Learning', on the former Leeds Grammar School site on Buckingham Road is necessary to ensure that West Oaks School has sufficient accommodation to meet its published admissions number, thus allowing the Authority to address shortfalls in the availability of special educational needs (SEN) across the City. The project will seek to renovate and refurbish the Grade II listed Rose Court campus for use as a new 120 place dedicated SEN facility. The project will undertake the necessary construction work to allow this aim to be achieved and will create dedicated staff parking, pupil drop-off facility, external sports, and social space in addition to a full renovation and remodelling of the buildings to ensure suitability as an SEN facility.
- The Rose Court facility on Buckingham Road was purchased from Leeds Grammar School following approval from the Executive Board in November 2019 (D50346), wherein it's proposed usage as a new SEN campus was established. Following acquisition of the building Leeds City Council have been working in partnership with the Leeds Local Education Partnership, NPS Leeds Ltd. and West Oaks School to develop the proposals. Planning permission and listed building consents have since been acquired for the proposed project (application reference 21/03811/FU and 21/03812/LI respectively) and three packages of 'Early Works' (reference D54051, D54409 & D54531) have been approved to undertake essential enabling works necessary to ensure the main contract works achieve programme and the critical path opening date of September 2022 remains achievable.
- The scheme contributes to the 2020 - 2025 'Best Council Plan' outcomes with respect to improving 'education attainment and close achievement gaps for children and young people vulnerable to poor learning outcomes', 'improving social, emotional and mental health and wellbeing', 'helping young people into adulthood, to develop life skills and be ready for work'. In addition, the proposals herein support the vision in the 'Children and Young People's Plan 2018 - 2023' for "Leeds to be the best city in the UK and the best city for children and young people to grow up in" and helps Leeds achieve its aim of being a child friendly city.

## Recommendations

The Director of Children & Families is requested to:

- a) Approve the expenditure of £9,767,967 from capital scheme number 33177/RCT/000 for the sufficiency works at West Oaks School to create the 'Headingley Learning' Campus. Noting that this figure includes the tender sum in addition to all ancillary costs, for example, consultancy fees, surveys, furniture & equipment, ICT provision, client held contingency etc. It does not include any costs associated with purchase of the site.
- b) Authorise acceptance of the tender submitted by the Leeds Local Education Partnership, via Henry Boot Construction Ltd, in the sum of £7,324,441. Noting that this is inclusive of all contract side design and development fees, including the previously approved sum of £1,360,365 necessary to undertake the 'Early Works' programme (DDN D54051, D54409 and D54531).
- c) Sanction the requirement to enter into a contractual agreement with D&B One Co. to deliver the West Oaks School 'Headingley Learning' sufficiency works. This will take the form of a JCT contract between the Authority and Leeds D&B One Ltd. for the sum of £7,324,441.
- d) Note that the programme dates identified in section 51 of this report, in relation to the implementation of this decision, represents the critical path for delivery of the project.

## Why is the proposal being put forward?

1. The number of children and young people living in Leeds has increased over the past decade, which has resulted in rising demand for both mainstream and specialist provision places across the city. The need for specialist school places continues to grow, with increases in the areas of complex learning difficulties and complex communication difficulties which are being identified because of a substantial increase in Education, Health and Care Plan (EHCP) assessments being particularly evident. The need for places in specialist schools is forecast to increase beyond the number of places currently available in Leeds and the proposed expansion of West Oaks School has been brought forward, along with other proposals, to address this increase in demand.
2. Following a public consultation, a proposal was put to the Council's Executive Board in February 2021 to formally expand West Oaks School and create the new 'Headingley Learning' campus to service this increase in specialist places. This would increase the overall capacity at West Oaks School from 350 to 500 from September 2021, utilising their current sites at Woodhouse and Boston Spa and create the new facility at the former Rose Court site on Buckingham Road in Headingley. The findings of this consultation are published separately as part of the Executive Board's approval of the outcome, this report deals with the project arising from this decision.
3. The proposed project to create 'Headingley Learning' is in addition to the recently completed expansion of West Oaks School's 'Woodhouse Learning' site. Which was completed in September 2021.
4. The key construction activities and outcomes of the project are noted below:
  - a. Remodelling of the Grade II listed 'Ford House' to form dedicated SEN teaching accommodation and associated welfare. Includes for restoration of legacy features that are covered under the listing and are required to be repaired as part of the granting of consents. This applies to protection of the ornate original staircases, restoration and repair of cornices, retention of fireplaces, repair to legacy windows etc. Solutions to which are designed to retain key features requested by the Listed Building Officer but also make them appropriate for an SEN setting.
  - b. Adaptation of the newer 2000's block for suitability as an SEN provision, includes for necessary upgrades to meet Leeds specification standards and building control requirements. Including for extensive fire proofing works which the building currently lacks.
  - c. Refurbishment of the recently converted Nursery block to facilitate change of use to SEN.
  - d. Critical condition-based upgrades to all aspects of the building.
  - e. Refurbishment of the gatekeeper's lodge to provide staff accommodation, including extensive condition-based construction work due to damp ingress and associated damage.
  - f. Development of specific curriculum based external areas, necessary to provide the breadth of ancillary external space necessary to deliver the curriculum and facilitate West Oaks teaching model. Allows for a mixture of social space, horticulture areas, sports provision etc.
  - g. Provision of dedicated school parking facilities, including necessary allowance for electronic vehicle charging, and a drop-off facility for minibuses as per consultation with LCC Transport Team.
  - h. Installation of new internal fencing to safeguard pupil movements on-site.
  - i. Provision of a perimeter fence to the full extent of the site, noting that the site is at present devoid of a secure boundary fence. What is present is either inadequate, damaged beyond repair or non-existent.
5. The estimate scheme cost is £9,767,967, which includes: £7,331,023 for the tendered construction costs inclusive of the 'Early Works' programme, £582,362 in development fees and associated surveys, £15,000 in Planning and Building Control fees, £481,000 in furniture and equipment costs including allowance for ICT, £222,049 of property purchase costs and £1,135,677 of Authority costs.

6. Any required off-site Highways work, necessary because of the scheme, will be picked up under a separate programme-wide design cost report where appropriate.
7. The formal expansion of West Oaks School will be effective from September 2021, as the Buckingham Road site will not be available at this date the increased cohort of pupils will initially be accommodated at the school's Boston Spa and Woodhouse campuses. The expansion project at 'Woodhouse Learning', completed in September 2021, will meet the bulk of the additional short-term places need until the 'Headingley Learning' campus is online. However, capacity at this recently expanded site is limited and additional accommodation will be required from September 2022 if the 'Headingley Learning' site either does not progress or is delayed.
8. Following the identification of the SEN pupil place shortage several solutions and sites were sought to provide the additional capacity required. Rose Court, at the time occupied by the Grammar School at Leeds (GSAL), was identified as a potential option subject due to GSAL's impending relocation of their primary age provision to Alwoodley. Following Executive Board approval in December 2019 the process to purchase the site was ratified, with the intent to allocate the building for delivery of the required additional SEN places. Following a competition process West Oaks School were ultimately appointed to be the education delivery partner.
9. Upon acquisition of the site in early 2020 the Leeds Local Education Partnership and NPS Leeds were appointed to develop the design proposals for the renovation and remodelling of the various buildings on-site. As preferred contractor Henry Boot Construction Ltd. were appointed to undertake the PCSA period and manage the development of the proposals through the Planning process and up to financial close. Due to the technical complexity and challenges the buildings present early engagement with a construction contractor was sought, in order to drive buildability and value. As the site is Grade II listed and requires listed building consent for any changes or adaptations, internally or externally.
10. Due to the Grade II listing extensive consultation has taken place throughout project development with the appointed Planning Officer and Listed Building Officer. Whilst both listed building consent (21/03812/LI) and planning permission (21/03811/FU) has been granted both these elements remain an acute risk to the project. Where possible the tender package has responded to these potential risks but there remains the possibility that further issues are uncovered as 'opening up' works are undertaken. As such a higher than normal 'client held' contingency has been allowed for to reflect the 'high risk' associated with the building condition, its location within the conservation area and its listed status. This will be carefully managed and controlled by the Project Team, in close consultation with Planning colleagues. It remains an inherent risk to the project due to the nature of the building and the associated protections awarded it by the various statutory bodies.
11. To meet the construction programme issued by Henry Boot Construction Ltd., which aims to achieve the hard deadline of September 2022 for opening to pupils, it has been necessary to undertake a programme of preparatory 'Early Works'. Split into three packages this programme has focused on enabling works necessary to facilitate achievement of the programme whilst the scheme was in for planning and detailed design underway. Due to the outstanding planning and listed building consents works were undertaken which sat outside of these risk areas, with the scope of works subject to consultation and approval from the Planner and Listed Building Officer. Works included within the 'Early Works' programme were conservation work to listed features (e.g., stonework and window repair), roofing repairs, asbestos removal, strip out of redundant fixtures and fittings. A total cost of £1,360,365 was approved and committed to undertake these works, under three separate reports submitted in May (D54051), August (D54409) and September (D54531) 2021. The 'Early Works' programme concludes in October 2021, wherein it is anticipated the full construction contract will then come into effect. Any delay to this process will necessitate a further, 'bridging' package of 'Early Works' to avoid site shut down and demobilisation. The latter has not been allowed for in the cost proposals detailed herein.
12. The tender period completed on the 25<sup>th</sup> August 2021, with the return then being submitted for financial review by the client-side Quantity Surveyor. Following analysis of the return NPS have advised that the figures are arithmetically correct and reflect the current market factors. The recommendation is to commence with the award as soon as possible, due to the volatility of the market and the need to lock in material and labour prices.

13. Headingley & Hyde Park Ward Members were briefed by Council Officers on the 26<sup>th</sup> March 2021, wherein the scope of the project was discussed, and a tour of the Buckingham Road site undertaken. Further briefings will be scheduled at the appropriate stages of the project.

#### What impact will this proposal have?

**Wards affected:** Hyde Park & Headingley

Have ward members been consulted?       Yes       No

14. Following the identification of the SEN pupil place shortage several solutions and sites were sought to provide the additional capacity required. Rose Court, at the time occupied by the Grammar School at Leeds (GSAL), was identified as a potential option subject due to GSAL's impending relocation of their primary age provision to Alwoodley. Following Executive Board approval in December 2019 the process to purchase the site was ratified, with the intent to allocate the building for delivery of the required additional SEN places. Following a competition process West Oaks School were ultimately appointed to be the education delivery partner.
15. The creation of 'Headingley Learning', as an extension of West Oaks School, at the former Buckingham Road site is critical to the Authority's response to the shortage of special educational needs places within the city. Following a public consultation, a report was put to the Council's Executive Board in February 2021 seeking approval to expand West Oaks School, from 350 pupils to 500 pupils for young people aged 2 to 19, with effect from September 2021. This was based upon the principal of the creation of a third site for West Oaks School, in addition to Woodhouse and Boston Spa, which will utilise the former Rose Court site on Buckingham Road in Headingley.
16. By providing additional accommodation at the Buckingham Road site will allow West Oaks School to have sufficient, and high quality, accommodation capacity to allow them to deliver their curriculum model for their expanded published admissions number. Once complete 'Headingley Learning' will provide the city with a 'outstanding', diverse and adaptable SEN provision under the West Oaks School banner. With the 'Woodhouse Learning' and 'Boston Spa Learning' site combining with 'Headingley Learning' to deliver wide ranging facilities for pupils aged 2 to 19 with minimal duplication of resource.
17. It is critical that the recommendations contained within this report are approved at the earliest opportunity to ensure the target opening date of September 2022 is met. Failure to meet this date will necessitate the need for temporary accommodation at one or both of the 'Woodhouse Learning' and 'Boston Spa Learning' campus to ensure sufficient capacity across the wider West Oaks School.
18. Furthermore, the tender return submitted by Henry Boot Construction Ltd., via the Leeds Local Education Partnership, is subject to inflation risk due to the increased volatility of the market in the wake of both Brexit, the coronavirus pandemic and industry wide material and labour shortages. The sooner the construction contract is formally awarded will ensure that interim price fluctuations are minimised, with package cost(s) effectively being 'locked in' at contract award. Regardless, this remains a considerable risk to the project going forward as the market becomes increasingly unstable. Whilst a provisional sum has been allocated to inflation risk in the price submission, based on probability and current market trends, every opportunity that results in it not being needed should be realised wherever possible.
19. 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 capturing the scheme (attached as part of the background papers) and the outcome of the screening is that an independent impact assessment is not required for the proposal set out in this report.
20. The approval of this report constitutes a Key Decision and as such will not be subject to 'Call-In'.

#### What consultation and engagement has taken place?

21. A report to Executive Board in February 2021 detailed the outcome of consultation on the proposal to increase the 'published Admission Number' from 350 to 500 pupils, with effect from September 2021. This recommendation was put forward following a formal public consultation.

22. The proposed permanent expansion scheme has been subject to consultation with key stakeholders including Childrens & Families officers, Ward Members and the Executive Member for Children and Families. Consultation has also involved school staff, local residents and other colleagues within the Council. Noting that the pre-planning consultation with residents was completed virtually via an online portal and letter drop due to the, at the time, Government social distancing guidance in place.
23. Headingley & Hyde Park Ward Members were briefed by Council Officers on the 26<sup>th</sup> March 2021, wherein the scope of the project was discussed, and a tour of the Buckingham Road site undertaken.
24. Pre-planning consultation has been held with representatives from the Planning Department, Landscape, Heritage and LCC Highways. Due to the Grade II listing extensive consultation with the appointed Planning Officer and Listed Building Officer will continue throughout project delivery in order to ensure the development does not breach conservation requirements. This process is ongoing.
25. Due to the scope of the proposals the project was subject to both a Planning application, which principally addressed the external redevelopment works, and a Listed Building application, primarily focusing on the internal renovations and upgrades to the external façade / roof(s). Both applications, 21/03811/FU and 21/03812/LI respectively, have been approved and the Project Team are currently working through the pre-commencement conditions. Submissions for discharging the conditions will be completed in liaison with Planning colleagues.
26. Procurement & Commercial Service have been appointed to provide legal and contractual support with the drafting of the construction contract. This will take the form of a JCT 'head' contract between LCC and D&E One Co. (the LLEP), who will in-turn have a 'pass down' contract with Henry Boot Construction Ltd. 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. The previously approved 'Early Works' programme has been subject to its own separate agreement, which will be subsumed into the main construction contract once executed.

### **What are the resource implications?**

27. The estimate scheme cost is £9,767,967, which includes: £7,331,023 for the tendered construction costs inclusive of the 'Early Works' programme, £582,362 in development fees and associated surveys, £15,000 in Planning and Building Control fees, £481,000 in furniture and equipment costs including allowance for ICT, £222,049 of property purchase costs and £1,135,677 of Authority costs.
28. An allowance of £481,000 has been included within the project budget for the provision of FF&E and ICT equipment, based on a total capacity of 120 pupils. The allocation for which is based upon the per pupil calculation as provided by the Department for Education for special educational needs schools. Also included within this figure is infrastructure setup costs for the broadband connection.
29. The £9,767,967 of project costs includes a sum of £222,049 of residual property purchase costs from the original acquisition of the site which were not included in the original 'approval to spend' approval. This constitutes the final remaining monies associated with the property purchase.
30. The costs will be met through capital scheme number 33177/RCT/000 as part of the Learning Places Programme.

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2021 £000's	FORECAST				
			2021/22	2022/23	2023/24	2024/25	2025 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	3000.0	3000.0					
CONSTRUCTION (3)	816.6	729.9	86.7				
FURN & EQPT (5)	0.0						
INTERNAL DESIGN FEES (6)	0.0						
OTHER FEES / COSTS (7)	48.1		48.1				
<b>TOTALS</b>	<b>3864.7</b>	<b>3729.9</b>	<b>134.8</b>	<b>0.0</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 2021 £000's	FORECAST				
			2021/22	2022/23	2023/24	2024/25	2025 on
			£000's	£000's	£000's	£000's	£000's
LAND (1)	222.1	222.1					
CONSTRUCTION (3)	6514.4		4535.0	1759.5	219.9		
FURN & EQPT (5)	481.0		350.0	131.0			
INTERNAL DESIGN FEES (6)	15.0		10.0	5.0			
OTHER FEES / COSTS (7)	1670.7	614.7	170.4	882.6	3.0		
<b>TOTALS</b>	<b>8903.2</b>	<b>836.8</b>	<b>5065.4</b>	<b>2778.1</b>	<b>222.9</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2021 £000's	FORECAST				
			2021/22	2022/23	2023/24	2024/25	2025 on
			£000's	£000's	£000's	£000's	£000's
LCC Corporate Borrowing	3000.0	3000.0					
CIL	1320.0	1320.0					
HNPCA Grant	500.0		500.0				
Basic Need Grant	7947.9	246.7	4700.2	2778.1	222.9		
<b>Total Funding</b>	<b>12767.9</b>	<b>4566.7</b>	<b>5200.2</b>	<b>2778.1</b>	<b>222.9</b>	<b>0.0</b>	<b>0.0</b>
<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>	<b>0.0</b>

**Parent Scheme Number:** 33177 RCT 000

**Title:** Basic Need Expansions 2021/22

31. The Stage 2 tender, sought for acceptance herein, has been subject to design development during the PCSA period, including ongoing liaison to requirements highlighted by the Listed Building Officer as the proposals evolved and site surveys were completed. Whilst the proposals represent the culmination of the development work and consultation with the school, they remain subject to unknown risk because of the coronavirus pandemic, ongoing implications because of Brexit and worldwide material shortages. Consequently, Henry Boot Construction Ltd. have included a significant 'provisional sum' within their tender price to allow for potential manifestation of inflation risk for key packages, which is in direct response to market trends and feedback from sub-contractors and suppliers during the tender period. Utilisation of the inflation 'provisional sum' is subject to agreement and approval of Leeds City Council, with any application to draw upon this sum subject to validation by the client-side quantity surveyor. Following advice taken this has been determined to be the most transparent and controllable to capturing this risk, as if the risk sits with the construction contractor its utilisation will not be subject to oversight from the client or recovery in the event of underspend.
32. The tender price submitted is based on market factors as of August 2021, this includes the nationwide position on the coronavirus pandemic. It does not include for enhanced social distancing or change

of law in the event of a further wave of the virus and national / local lockdown requirements. In the first instance this risk will be managed via utilisation of the project contingency, which has been apportioned accordingly to represent both this risk and the complexities of developing a Grade II listed building for SEN usage. This risk will be managed via the Project Team to ensure the scheme remains within the tolerances outlined herein, escalation will be via the Learning Places Programme 'Programme, Risk & Control Group' and 'School Places Programme Board'.

33. A 'value engineering' exercise is ongoing to further reduce and refine the submitted tender cost of £7,324,441. In the first instance this will target items which do not have an impact on the curriculum delivery model employed by West Oaks School. Where necessary discussion will be held with the Planning Officer and Listed Building Officer with respect to potential opportunities in reducing the building specification in instances where there is ambiguity over definition of the Grade II listing. In addition, Henry Boot Construction Ltd. are also identifying a second list of 'value engineering' which require deviation from the specification or have a potential impact on end user delivery. Any acceptance of these 'value engineering' items will be subject to agreement with the 'end user'. As the 'value engineering' is an ongoing process, and one that needs input from the various design disciplines and supply chain, it is not possible to quantify the savings at this stage. Consequently, any cost reductions achieved will be used to supplement the client held contingency with a view to offsetting any future inflation risk or reoccurrence of social distancing measures.
34. The budget will be carefully monitored as the project progresses to minimise utilisation of the client held contingency and ensure the scheme does not exceed the budget detailed herein.
35. NPS have advised that the tender return reflects the value of the scheme and recommends the tender is accepted, subject to verification of the supporting documents and 'value engineering' schedule.
36. Note, the current financial exposure for the project, excluding the approvals sought herein, is £2,223,131.72. This figure constitutes the following: 'early works', professional services fees, the 'Pre-Construction Services Agreement', surveys and other essential development costs.
37. 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.

#### **What are the legal implications?**

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

#### **What are the key risks and how are they being managed?**

40. The five key risks to the project are noted below, of these three remain outside of the Project Teams immediate influence as they relate to global market factors. Mitigation is noted where applicable at this stage.
  - a. The implications of the United Kingdom's decision to leave the European Union continues to have an adverse impact on the construction industry, resulting in a level of anxiety and volatility. Availability of materials is being compounded by new customs regulations, and availability of labour is also diminished due to the eradication of free movement of European citizens. At a project level mitigation can be offered by ensuring early procurement of key materials and local storage, as well as sourcing materials locally to avoid import complications. Availability of labour remains a concern, especially given the specialist trades required on a Grade II listed development. This risk remains with the construction contractor, given Brexit is now a known factor backed up by legislation, but will continue to be monitored by the Project Team.
  - b. The combination of the coronavirus pandemic, Brexit and global material shortages has resulted in high levels of inflation within the construction industry. The preferred level of mitigation for this is to execute the construction contract at the earliest possible opportunity, therefore locking in prices contractually and allowing material orders to be placed. Further mitigation has been included within the contract sum in the form of provisional sums associated with various identified

'high risk' packages. Utilisation of these provisional sums is subject to approval of the client and verification by the client-side quantity surveyor. This approach allows the level of risk associated to be financially quantified but allowing the Authority to retain an element of control over potential expenditure that arises.

- c. The tender submission detailed herein is based on operational parameters as of August 2021, wherein the coronavirus measures have been significantly reduced. If further lockdowns occur, or social distancing is reintroduced, there is the potential that a change in law to reflect this will have a financial and time implication on the project. This is not quantifiable at present but is anticipated to be a major risk, as the bulk of the works required take place in confined quarters within the various Grade II listed buildings. Social distancing would be problematic in this setting and would undoubtedly severely reduce productivity levels. At present it is not possible to quantify or mitigate this risk, as it remains an issue that sits outside of the Project Team's influence. The risk will be monitored and escalated via the appropriate channels where necessary, namely 'School Places Programme Board' and the Learning Places 'Programme Risk & Control Group'.
  - d. Whilst planning permission and listed building consent has been granted the implications of the Grade II listing remains a key project risk, and one that will manifest itself further as opening up and strip out works are undertaken. As the project develops it is inevitable that changes will be required that draw on contingency which weren't previously accounted for, with said item(s) being in un-surveyable areas during design development. Mitigation for this is twofold; the client held contingency applied to the project is proportionally higher for this project than traditional build to reflect the Grade II listing and general difficulty in redeveloping legacy assets, secondly several provisional sums have been included within the contract sum for utilisation against 'known' risk items. Which allows this figure to be quantified at contract close based on contract rates, expenditure of these provisional sums will be subject to approval by the Authority and verification of value by the client-side Quantity Surveyor.
  - e. Conversion of a Grade II listed property to an SEN facility is challenging and has the potential for scope creep if the initial design does not meet the end user's base operational and health and safety requirements. This has been the core focus of the design development process but remains a risk do the potential disparity between interpreting a drawing and the practical reality of the completed works. Further mitigation will take place, with the school and their requirements being the focus of the design intent as the project develops. All drawings will be signed off to ensure that they are satisfactory to the 'end user'.
41. To summarise the above, 'risk' has been quantified where possible and is addressed via the three risk allocations, namely; known construction risks with provisional sums assigned, identified areas of inflation risk with associated quantified provisional sum (which are part of the contract figures but requiring client approval to expend) and then a wider client held contingency for rectifying any currently unknown risks. The scale of which reflects the complexity and condition of the Grade II listed building being refurbished and renovated.
  42. 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.
  43. 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.
  44. 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. To mitigate the risk of tier 1 contractor insolvency the LLEP Partnership have allowed for 'step-in' rights in the pass down contract to Interserve. This includes the following protections:
    - a. 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.

- b. 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.
- c. 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.
- d. The LLEP have diversified their portfolio of contractors and no longer have a preferred contractor. The 2021/22 Learning Places Programme schemes with the LLEP are being delivered by separate contractors. This minimises the Authority's exposure to delays and additional cost risk following contractor insolvency.
- e. The LLEP's Finance Officer completes ongoing financial checks of all the tier 1 contractors 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.
- f. 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.

45. 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. An additional cost has been secured for the performance bond and is included in the Henry Boot Construction Ltd. tender price.

#### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth

Health and Wellbeing

Climate Emergency

46. This project will provide high quality specialist learning places to address increasing demand city wide and will contribute to the achievement of the Child Friendly City aim of "improving educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes". By funding high quality educational provision, the Authority will be meeting its 'inclusive growth' targets to ensure the wider community benefits from local investment.

47. Utilisation of a legacy asset will reduce the project's overall carbon footprint by removing the need to construct a new facility, importation of steel and concrete for a new building would have a considerable carbon footprint due the need to import steel, and other key materials, from outside of the UK. The utilisation of concrete for a new build would also have a significant carbon uplift due to vehicle transport and the manufacturing process.

48. Opportunities to improve the buildings thermal efficiency and carbon footprint are being sought in-line with applicable Planning Policy. This will be based on the limitations presented by the Grade II listing, which will inform what measures can and cannot be implemented. Priority is been given to upgrading the building fabric, for example, roof insulation, floor insulation, window upgrades where possible. It should be noted that roof and floor insulation is included in the tender price but remains a possible 'value engineering' saving as it is not required to meet Building Regulations.

49. Electronic vehicle charging points are to be provided in the proposed new school car park at the appropriate ratio dictated by Planning Policy.

## Options, timescales and measuring success

50. The option presented herein represents the only viable solution to the SEN shortfall within Leeds. The Authority did not have a viable site within its portfolio which could be utilised for delivering the West Oaks sufficiency project and as such had to procure one specifically for this purpose. The key opportunity presented via the acquisition of the former Grammar School campus on Buckingham Road is the utilisation of a pre-existing, albeit complex, building that was already designated under planning as an educational facility. Alternatives would be to purchase an appropriately sized site and then construct a new building upon it, which would further escalate cost. The option herein provides a suitable site with a building that can accommodate the SEN demands.

51. The key milestones for the project are noted below;

<b>Milestone</b>	<b>Date</b>
Planning & Listed Building submission	20 <sup>th</sup> April 2021
'Early Works' period	June 2021 to end October 2021
Planning & Listed Building approval	24 <sup>th</sup> August 2021
Main works tender returned	25 <sup>th</sup> August 2021
Tender evaluation period	September 2021
Main works final DCR	End September 2021
Main works start on-site	October 2021
Main works completion	5 <sup>th</sup> August 2022
Building opening / occupation	September 2022

## Appendices

Appendix A - Equality Impact Assessment Screening Document

## Background papers

None