

PLYMOUTH CITY COUNCIL

Subject: Primary Basic Need – Awarding of Contracts
Committee: Cabinet
Date: 11 November 2014
Cabinet Member: Councillor McDonald
CMT Member: Carole Burgoyne (Strategic Director for People)
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Ref: JH.JEG.JP(CAB)06 (30/10/14)
Key Decision: Yes
Part: One

Purpose of the report:

This report seeks to award the contract for the works to be undertaken at schools within the city to ensure that the city has sufficient school places available to meet its statutory obligations.

The works will deliver two new builds at Knowle Primary School and St Matthew's CE Primary and Nursery Academy School along with two expansions at Holy Cross RC Primary School and Woodford Primary School.

Funding for the projects has been through Targeted Basic Need, Basic Need and unring-fenced council resources.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The proposal helps to meet the City Vision, co-operative values, co-operative objectives, and co-operative outcomes in the following ways:

City Vision – Britain's Ocean City – providing improved and additional capacity for the increasing number of school age children in the City ensures there is a school place for every child and improves their education opportunities which will improve their quality of life.

Co-operative Value – We are democratic – provide parents, staff and governors at the school, local residents and other stakeholders with the opportunity to participate in the decision making on the proposal.

Objective – Pioneering Plymouth – Provides extended and improved services for children and their families making effective use of resources available.

Objective – Caring Plymouth – Enables local residents and other stakeholders to participate in the decision making, and provides children with improved facilities that will promote independence and reduce social inequality.

Objective – Growing Plymouth – Provides sufficient education facilities for the growing number of children in Plymouth improving their education opportunities. Without basic need growth there is a serious risk that some children in the city will not be able to access a school place.

Objective – Confident Plymouth - Provides the City with facilities that form the heart of communities improving lifestyles of residents by working together with our partners.

Outcome – Pioneering Plymouth –The basic need growth areas have been carefully mapped and the proposals in this report are targeted at narrowing the gaps in inequality of access to education places. The proposal helps to address the growing need for additional facilities for primary age children, using resources wisely and will provide enhanced learning accommodation that is above customer expectations.

Outcome – Growing Plymouth – Provides sufficient school places as an integral part of the city’s top performing education system ensuring that children achieve better qualifications and find high quality jobs.

The proposal will provide new short/medium term jobs within the construction sector through the works to create the new accommodation.

Provides new long term jobs within the education sector including teachers, teaching support, admin staff, facilities management etc as a direct result of new schools or schools significantly growing in size and supports the proposed major development at Derriford which plans to provide new housing, new business and infrastructure.

Outcome – Caring Plymouth – Provides improved facilities that ensure children and young people are safe and confident in their communities, narrowing the gap in equality of access, helping them take control of their lives and communities.

Outcome - Confident Plymouth - Provides the City with facilities that form the heart of communities improving lifestyles of residents by working together with our partners.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

The total cost of the delivery of the proposed projects is £15,933,922 of which £14,795,236 relates to the contract award to Wilmott Dixon. These figures are in accordance with the approved amounts on the capital programme.

These projects will be funded from ring-fenced Targeted Basic Need Grant of £8.62m, supported by a further £7.23m of unring-fenced Council Resources and £0.08m school contribution.

The ongoing revenue costs following the delivery of these projects will be met by from the schools delegated budgets.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The capital improvements and new builds will be in line with current regulations and health and safety during construction will be dealt with by the contractors and the school. There are no community safety issues related to this proposal. The risk management for these facilities is incorporated within the school’s own risk management procedures.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No

Schools are a key facility within their local communities and support wider cohesion in the area. An equality impact assessment has not been completed as the facilities that will house the Support Centre will be renovated prior to opening and therefore designed to current building regulations which are fully DDA compliant. In addition these are community facilities which are open to all; therefore issues surrounding discrimination on the basis of age, faith, gender, race or sexual orientation are not applicable.

Recommendations and Reasons for recommended action:

It is recommended that:

1. That Cabinet approves the appointment of Wilmott Dixon to deliver the capital improvements and new builds at Knowle Primary School, St Matthew's CE Primary and Nursery School, Holy Cross RC Primary School and Woodford Primary School.
2. That the final approval to agree the scope and quality of works be delegated to the Strategic Director of Place.

Reasons for these recommendations are to fully comply with the Council's constitutional arrangements and to ensure that this centrally allocated investment is delivered through the Scape Construction Framework process and procedure.

Alternative options considered and rejected:

The Council needs to take into account that it would be failing in its statutory duty to provide sufficient places in schools for parents and pupils within the city if it chose not to progress to supplying additional school places.

All the projects, as they develop, are analysed for alternative building procurement routes; this includes the use of temporary buildings, system buildings and also more permanent traditional building techniques.

Published work / information:

[Plymouth City Council Children's Services Strategy for Change Investment for Children Inclusion Strategy 2005-2008](#)

Background papers:

None

Sign off:

Fin	PeopleF EC1415 003 ZW30102 014	Leg	LT/21566	Mon Off	DVS/lt/2 1566/30 1014	H R	N/A	Assets	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member: Judith Harwood, Assistant Director, Education Learning and Family Support													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 Background

- 1.1 On 18 July, the Minister of State for Schools announced details of capital funding of approx. £820million which will support Local Authorities to provide new, high quality school places in locations that need more school places.
- 1.2 The main basic need allocations – which go directly to local authorities, and are based on projections of their need – were issued in March, and gave authorities funding for the next 2 years, enabling them to plan provision. Those allocations help to support local authorities to keep pace with projections of demand.
- 1.3 This additional funding, over and above the existing allocations, was announced by the Chancellor in the autumn statement and will provide further high quality places. The funding is targeted to provide additional support to those local authorities experiencing the greatest pressure on places through the funding of new academies and free schools, as well as enabling investment to expand good and outstanding schools with high levels of demand.
- 1.4 Plymouth put in bids one for a new school and two expansions and were successful in obtaining funding for all three. The table below shows the location and funding available.

School	Funding for build/refurbishment	Project Support Funding	Date of completion
	£	£	
Derriford New School – PL6 5AA	6,140,102	150,000	September 2015
Woodford Primary School	1,745,429	150,000	September 2015
Holy Cross RC Primary Academy	730,547	75,000	September 2015
Total Allocation	8,616,078	375,000	

- 1.5 The funding allocated has been ring-fenced for the named project and has to be completed by September 2015.
- 1.6 In March 2012 Cabinet agreed that £2.52m would be allocated for Knowle Primary School to replace heating, water and electrical systems, fire doors and replacement of temps to cater for the negative bulge from its Capital Maintenance Grant.
- 1.7 However, significant feasibility work had been carried out which concluded that the demolition of the existing 1950s building and the construction of a purpose built, two form entry school (2FE) on the existing site was the most practical, workable and cost effective solution to the significant condition problems experienced currently by the school, which will also alleviate the long term condition liability that it currently presents.
- 1.8 The school has suffered from on-going condition issues for some time, many of which are inherent to the design and location of the building (including damp, poor effectiveness of heating system, vandalism and awkward circulation of pupils into and around the building). Following a visit to the school in July 2013 by the Cabinet Member for Children and Young People and Officers, it was proposed that an additional £2.475million be allocated to fund a replacement new build which Cabinet agreed in December 2013.

- 1.9 The funding allocated would provide the construction of a replacement two form entry school and nursery building on the existing site. Works will include the reinstatement of the playing field and demolition of the existing school and temporary accommodation along with associated works.
- 1.10 The Business Case signed off in June 2014 gave approval to progress the delivery of the four projects via the SCAPE Framework as a batch procurement with the option to change the procurement of any/all of the projects at a later date should it be realised that the batch procurement does not offer Best Value to the Local Authority. Costs provided to date are estimated prices having the potential to be reduced as they are worked through detailed design through an open book process via the SCAPE framework and cannot be exceeded. The design process from the SCAPE framework is expected to provide a design package that can be used on alternative procurement if required. Costs include fees, contingency, surveys, design, FF&E etc.
2. **Proposed Scope of the Project**
 - 2.1 Four projects taking place at Knowle Primary School, St Matthew's CE Primary and Nursery Academy, Holy Cross RC Primary Academy and Woodford Primary School.
 - 2.2 The Knowle Primary project includes the construction of a new two form of entry primary school on the site of the existing school playing field along with a nursery and associated external spaces. Demolition of the existing school and conversion to school playing fields.
 - 2.3 The St Matthew's CE Primary and Nursery Academy project includes construction of a new three storey 3 Form of Entry school with nursery on the site of the existing NHS park and ride. In addition external works including a new playing field, hard play, a car park, MUGA and circulation space will be provided. The project supports the major development scheme proposed for Derriford.
 - 2.4 The Holy Cross RC Primary Academy project includes the creation of three new classrooms by adding in a new mezzanine floor in the existing church while creating a hall on the ground floor with relevant support spaces. Relocation of the kitchen to the ground floor of the Presbytery. Adapt the existing toilets to become community/visitor toilets. Relocation of the foundation unit to the existing hall and music/conference room.
 - 2.5 The Woodford Primary School project includes providing a link walkway between the infants and junior schools. Constructing two new build extensions to provide 6 new classrooms with relevant support spaces. Extension to the hall and kitchen to provide additional catering facilities and to provide a studio extension as required for the increased number of pupils.
 - 2.6 The contract sums provided by Wilmott Dixon include fees for design and construction
 - 2.7 Additional fees are required to cover costs related to the appointment of PCC Commercial Services to provide Project Management support as required as part of the SCAPE framework agreement, CDM-C services to be provided by an external specialist in health and safety and feasibility costs incurred before the engagement of Willmott Dixon.
 - 2.8 The Local Authority is also required to pick up FF&E costs related to furnishing the completed buildings as these sit outside of the fixed construction sum.

3.0 Financial Position

3.1 In June 2014 the Business Case for the below projects was approved allocation the following amounts for each project to the capital programme:

Project Title	Capital Programme Total
St Matthews CE Primary & Nursery Academy	£7,077,029
Knowle Primary School	£5,197,250
Woodford Primary School	£2,156,271
Holy Cross RC Primary Academy	£1,503,372
Total	£15,933,922

3.2 The above total is made up of the following funding breakdown:

- Ring-fenced Targeted Basic Need Grant of £8.62m
- Unring-fenced Council Resources of £7.23m
- School contribution of £0.08m

3.3 Since that approval detailed design has been developed with the relevant parties involved in each project to enable the contractor, Willmott Dixon, to provide detailed design solutions for each project that meet the Basic Need requirements at each school.

3.4 Under the terms of the EFA Framework the contract budget will be equated to fixed contractual sums which the contractor shall not exceed based on the detailed designs that have been progressed since business case approval. The contractor as part of the SCAPE Framework is obligated to demonstrate best value by providing benchmarked prices against these sums. The table below details the cost breakdown.

School	Fixed Contract Sum	PCC Fees and Expenditure	Construction Phase fees (Other (FF&E & ICT)	Contingency	Total
St Matthews	£6,679,456	£93,014	£14,649	£289,910	£0	£7,077,029
Knowle Primary	£4,969,473	£70,964	£10,758	£146,055	£0	£5,197,250
Woodford Primary School	£1,888,000	£46,656	£6,469	£162,554	£52,592	£2,156,271
Holy Cross Primary School	£1,258,307	£41,563	£5,570	£160,348	£37,584	£1,503,372
Total	£14,795,236	£252,197	£37,446	£792,697	£90,176	£15,933,922

3.5 This contract award approval is for the fixed price contract sums detailed above for the appointment of Willmott Dixon to deliver the above projects.

- 3.6 As schools expand to deliver education to an increased number of pupils via new accommodation, increases in revenue costs will be required relating to the need for additional employment of teachers, teaching assistants and other curriculum resources which will be funded from the ring-fenced Dedicated Schools Grant (DSG), which is allocated based on actual pupil numbers. Therefore the Government Formula meets the budgetary growth in revenue for the above projects.
- 3.7 New accommodation is expected to bring minor sustainability savings in relation to revenue costs for utility bills and maintenance costs.

4. Legal Position

- 4.1 Due to tight timescales and to meet the funding profile of the new schools at Knowle and St Matthew's. This batch procurement has been identified to be delivered through the SCAPE Framework (an approved procurement framework). This framework offers an affordable cost effective solution and satisfies the need of partners associated to the provision of new schools. This procurement route is supported by the Education Funding Agency (EFA) and has been ratified by our internal procurement team.
- 4.2 All projects delivered by this procurement route use the NEC form of contract.
- 4.3 Whilst changes have been introduced by the Academies Act 2010, the Council retains power to act as procurement agent in the type of arrangements proposed.
- 4.4 Academies are a separate organisation to the Council and in these cases there will need to be a transfer of collateral and other warranties from the consultants, contractors and manufactures of the works. The Council would not hold a residual role following the completion of the works at Academies who will retain responsibility for the on-going repair and maintenance of the property as set out the standard 125 year academy lease.
- 4.5 At the completion of the works contract the responsibility of the ongoing contractual obligations are transferred in a standard Development Agreement between the Council and the Academy Trust, this agreement, will clearly set out the transfer of the completed building works to the Academy Trust.