

Report of the Cabinet Member for Learning and Skills

Cabinet – 1 July 2014

21st CENTURY SCHOOLS PROGRAMME

2nd STAGE (CONSTRUCTION) CONTRACT AWARD, CAPITAL PROGRAMME AUTHORISATION AND LAND AT THE ELBA, GOWERTON – PROPOSED CHANGE OF PURPOSE FOR WHICH THE LAND IS HELD FOR THE NEW BUILD FOR GOWERTON PRIMARY SCHOOL

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| Purpose: | <ul style="list-style-type: none">• To approve the scheme for the new build for Gowerton Primary School subject to confirmation of grant and contract with Welsh Government.• To seek authorisation to award the 2nd Stage Contract for the works to Tender No. 1, subject to confirmation of grant and contract with Welsh Government.• To approve the appropriation of the proposed site at The Elba. |
| Policy Framework: | <ul style="list-style-type: none">• The Review and Capital Budget as reported to and approved by Council on the 18th February 2014.• Corporate Priority to review the overall provision of schools.• Corporate Priority to improve opportunities for children and young people.• Corporate Priority improving school performance.• Corporate Priority effective corporate and strategic management of assets. |
| Reason for Decision: | <ul style="list-style-type: none">• To comply with Financial Procedure Rule 7 (Capital programming and Appraisals) – to commit and authorise schemes as per the Capital Programme.• To comply with Contract Procedure Rule 13, the evaluation and award of contract.• Statutory requirement under S.122 (2A) of the Local Government Act 1972 to consider any objections to the proposed appropriation of an open space. |
| Consultation: | Education, Finance, Legal Services, Corporate Building and Property Services. |

Recommendations:

It is recommended that: -

1. The capital scheme as detailed together with the financial implications set out in Appendix A is approved, subject to confirmation of grant and contract with Welsh Government and;
2. The contract for the works to build a new school for Gowerton Primary be awarded to Tender No. 1 subject to confirmation of grant and contract with Welsh Government and;
3. As no objections to the appropriation have been received, the Appropriation of the land from the Director of Place to the Director of People is approved which will enable the building of the proposed new Gowerton Primary School;
4. Head of Legal, Democratic Services and Procurement is authorised to enter into any necessary documentation required to complete the contract and achieve the scheme.

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Finance Officer: Steve Matthews

Legal Officer: Debbie Smith

Access to Services Officer: Phil Couch

Part A**1.0 Introduction/ Background**

- 1.1 The Strategic Outline Programme (SOP) detailing the re-organisation and investment needs for schools across Swansea was submitted to the Welsh Government (WG) in 2010.
- 1.2 In December 2011 further approval in principle was granted by WG to proceed with the schemes outlined within "Band A" of the programme subject to contract and Local Authority contribution of 50% towards overall costs.
- 1.3 In line with WG programme requirements the Capital Budget and Programme 2013/14 to 2016/17 provides an outline spending profile for the early priority schemes, totalling £21m. Included within this first phase of priority projects is a new school on a single site for Gowerton Primary School.
- 1.4 In July 2013 the Welsh Government announced £4.5 m of funding within the current financial year to accelerate priority schemes with the aim of achieving a construction on site within 2013/14. This approval included the scheme for Gowerton.

1.5 The scheme is subject to the successful approval of three stages of a business case. To date two of these stages have been approved by the Welsh Government and subject to the final stage (FBC) approval the Authority will enter into a formal contract with the WG which will form a binding agreement with the City & County of Swansea (CCS).

2.0 Description of Scheme

2.1 Tregwyr Infant School and Tregwyr Junior School were amalgamated in September 2010. The new school is now called Gowerton Primary School but still operates out of the three sites, with the aspiration to move the new primary school from its existing three school sites.

2.2 The progress so far through the establishment of a single school has already seen improvements in attainment through the development of a shared ethos, common policies and more effective use of the delegated budget. Phase 2 of the amalgamation, a replacement school on a new site is essential in order to fully realise both the educational and financial benefits that were targeted by the amalgamation. Phase 2 will deliver a more appropriate teaching and learning environment and further raise educational standards, achieve substantial economies and greater operational efficiencies, whilst addressing a reduction in surplus places and running costs across the existing buildings.

2.3 With a combined site area, of approximately 2.86 acres, the existing site area is below BB99 guidelines for a 315 pupils plus Nursery school. Furthermore, there is an inefficient use of space across 3 sites. The only 'green' areas are to be found at the Junior site, and consist of a small green area at the rear and side of the site, and also the wooded area known as The Mount, which although in part is within the curtilage of the School grounds, is also accessible to the public and has to be risk assessed prior to every use by the School.

2.4 Whilst the School are making use of the resources available to them as reported by Estyn in 2012, there is no appropriate transition from indoor to outdoor learning environments, or immediate access to suitable habitat and grassed areas.

2.5 The proposed new build for Gowerton Primary School will provide a 315 place Primary school plus a Nursery, and will be a 1.5 Form Entry school of traditional construction.

2.6 This proposed site at The Elba is 2.49 acres; this satisfies BB99 guidelines for all external areas with the exception of pitches. However this can be fulfilled with the existing facilities and proposed enhanced facilities at The Elba adjacent to the proposed site.

2.7 The proposals include a modest enhancement of the remaining facilities at The Elba to mitigate that loss of the 2.49 acres and satisfy the requirements of Policy HC23 of the Unitary Development Plan. The scheme includes for the provision of an all-weather 3G surface to the

tennis courts primarily now utilised as a MUGA, and also requires the realignment and new equipment for the play area.

3.0 Objectives of Scheme

- 3.1 The construction of a new Gowerton Primary School will provide:
- Pupils and staff with a safe, sound and fit for purpose school environment
 - An appropriate environment that facilitates an improvement in attainment levels across the whole age range of Gowerton Primary School
 - Greater operational efficiencies
 - Community usage of school facilities
 - Reduce the number of surplus places within the City & County of Swansea

4.0 IT/System Implications

4.1 The IT infrastructure requirements for the new school have been identified in the detail design of the scheme. The new building will have both hard wired and wireless infrastructures throughout.

4.2 Both school and local Authority technical support have informed the planned infrastructure provision and will continue to develop these in the new school.

5.0 Staffing Implications

5.1 The Head is planning for the occupation of the new build including staffing requirements consistent with the expected delegated budget.

6.0 Property Implications

6.1 The existing buildings are proposed to be retained as an Education asset for the time being but if no longer required for this purpose would form part of the disposal programme with receipts ring fenced and received to fund future projects as part of the 21st C programme.

6.2 All future maintenance liabilities will be continued within the current review budget either retained or devolved to schools in line with the relevant division of responsibilities.

7.0 Equality and Engagement Implications

7.1 A full Equality Impact Assessment has been carried out and has shown this project will have a positive impact on;

7.2 Age – Gowerton Primary School is a school for pupils aged 3-11 years. This project will have a very positive impact on the Education of all 3-11

year olds who attend the school in the future.

7.3 *Disability* – The design, delivery and implementation of this project has taken full consideration of the social model of disability, which recognises that people are disabled by the barriers of society (e.g. physical, environmental, organisational, and attitudinal, communication, etc.) rather than by any physical condition. The design of the new buildings and the running of the school in the future will ensure that ALL the pupils and staff can make the most of their new environment.

7.4 *Welsh* – All public signage within the school will be bilingual.

8.0 Legal Implications

8.1 The land is currently held by the Director of Place for recreation purposes. In order for the scheme to proceed, the land use needs to be altered from recreation to Education purposes and hence the requirement for Appropriation.

8.2 Under the provisions of Sections 122, (2A) of the Local Government Act 1972, the Council may not appropriate land comprising or forming part of an open space unless before doing so, it causes notice of its intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated and consider any objections to the proposed appropriation which may be made.

8.3 Notices of the intended appropriation of the said land at the Elba were duly published in The South Wales Evening Post on the 6th and 13th January 2014. No objections were received.

8.4 The Head of Legal, Democratic Services and Procurement has carried out a report on title on the land and has confirmed that there are no constraints that would affect the proposals.

9.0 Financial Implications

Capital

9.1 The Council provisionally approved an indicative budget of £5m for the new Gowerton school at Council on the 14th February 2013 as part of the 21st Century Schools Programme. A revised 21st Century Schools programme was set out in the Capital Budget and Programme report presented to Council on the 18th February 2014 with the budget for Gowerton being £6.575m.

9.2 The current estimate of cost amounts to £6.805 and will be funded with WG grant of £3.4025m and the Authority's own resources of £3.4025m. The increase in cost will be contained within the total funding available in the 21st Century Schools Band A Programme. The costs are summarised as follows:

| | Expenditure | £ |
|----|--|-------------------|
| 1 | Construction | £5,551,000 |
| 2 | 3G Tennis Courts and Play area | £247,000 |
| 3 | Surveys and external fees | £445,000 |
| 4 | Additional Traffic Measures | £15,000 |
| 5 | CBPS Fees | £231,000 |
| 6 | Education Fees | £80,000 |
| 7 | Legal and Planning Fees and other direct costs | £28,000 |
| 8 | Digital Learning | £50,000 |
| 9 | Decant | £50,000 |
| 10 | Contingency | £108,484 |
| | Total Costs | £6,805,043 |

- 9.3** The increase in costs are attributable to a number of factors including;
- Initial costs were based on indicative budget costs for the project prior to design.
 - Unknown site costs arising from site investigations.
 - Drainage offset requirements.
 - Enhancement of the remaining facilities at The Elba to mitigate that loss of the 2.49 acres and satisfy the requirements of Policy HC23 of the Unitary Development Plan.
 - Insurance Requirements.
 - Uplift in construction market.
- 9.4** Subject to the approval of costs the Final Business Case (FBC) will be subject to Welsh Government approval and award of grant as detailed in 1.5 above.
- 9.5** Until the Authority receives the offer of grant the contract for the works will not be signed and actioned.
- 9.6** Details of the current estimated cost and funding are set out in Appendix A.

Revenue

- 9.8** The school's operational revenue costs will continue to be appropriately funded by way of budget share of the total schools delegated budget provided in 2014-15 budget and future years as set out in the medium term financial plan.
- 9.9** All schools are funded on a consistent and transparent basis and the new build on a single site will mean that the school no longer requires split site funding (which is provided to reflect the additional costs incurred when a school operates across more than one site).

- 9.10** Furthermore, there are currently two kitchens operating, at each of the infant and junior sites. The new build will have a single kitchen which will result in a direct revenue saving.

Part B - Appointment of contractor to carry out 2nd Stage construction works.

10.0 Procurement/Tender Process

- 10.1** This scheme was procured through a two-stage procurement process utilising the South West Wales Regional Framework via a mini competition. The Contract Award Report of February 2013 set out the tendering procedure. The first stage involved the Council accepting a pre-construction fee from a contractor to work collaboratively with the Council to agree a firm tender price for the construction stage of the project. Tenderer No. 1 was selected to proceed with stage one. The contract was awarded in accordance with the Council's Contract Procedure Rules and authorised under delegated authority as the pre-construction fee was under a £1m.

- 10.2** The Stage 2 tender was returned to Legal and Democratic Services by the stated deadline of 12.00 noon on 1st May 2014 and was opened in compliance with the Contract Procedure Rules.

- 10.3** Tender received as marked by Legal Services:-

Tenderer No. 1. – £6,113,888.66.

The single tender was arithmetically checked and found to be correct.

- 10.4** The Stage 2 tender has been approved by the Tender Evaluation Panel, and recommended for Contract Award by the Responsible Officer and Heads of Finance, Legal and Procurement in accordance with the Council's Contract Procedure Rules.

11.0 Financial Implications

- 11.1** The overall project budget is £6.805m with a construction works budget of £6.114m.

- 11.2** The Contract cost, inclusive of Works, Contractor Design Fees and Services, can be met from the approved budget for the scheme. Any variations to the contract that arise will have to be funded by reducing other elements of the scope of works.

- 11.3** Until the Authority receives the offer of grant from WG the contract for the works will not be signed and actioned.

12.0 Legal Implications

12.1 The South West Wales Regional Framework led by Carmarthenshire County Council has been established in accordance with EU legislation. The Contract Award is recommended for approval in accordance with the Council's Contract Procedure Rules.

12.2 Any contractual liabilities/obligations with the successful tenderer will be covered by appropriate contract documentation to be prepared and approved by the Head of Legal, Democratic Services and Procurement.

12.3 The contract and offer of grant funding from Welsh Government will contain conditions which are legally binding. The Council will need to ensure that these conditions are reasonable and that it is able to comply with the same.

Background Papers:

- Delegated Powers Report dated February 2013 21st Century Schools Programme
(Pre Construction Design Scheme and Contract approval)
- Cabinet Report dated 17th September 2013 21st Century Schools Programme
(Authorisation to submit Planning Application and to Publish Open Space Notices)

Appendices

Appendix A - Financial Implications: Summary

| 1. CAPITAL COSTS | 2013/14 £'000 | 2014/15 £'000 | 2015/16 £'000 | 2016/17 £'000 | Total £'000 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| <u>Expenditure</u> | | | | | |
| Construction | | 2439 | 3022 | 90 | 5551 |
| 3F Tennis Courts and Play Area | | 247 | | | 247 |
| External Fees and Surveys | 363 | 51 | 30 | 1 | 445 |
| Additional Traffic Measures | | 15 | | | 15 |
| CBPS Fees | 60 | 102 | 60 | 9 | 231 |
| Education Fees | 20 | 40 | 20 | | 80 |
| Legal and Planning Fees and other direct costs | 17 | 11 | | | 28 |
| Digital Learning | | 50 | | | 50 |
| Decant | | | 50 | | 50 |
| Contingency | | 60 | 48 | | 108 |
| EXPENDITURE | 460 | 3015 | 3230 | 100 | 6805 |
| | | | | | |
| <u>Financing</u> | | | | | |
| WG grant | | 1737.5 | 1615 | 50 | 3402.5 |
| Own resources | 460 | 1277.5 | 1615 | 50 | 3402.5 |
| FINANCING | 460 | 3015 | 3230 | 100 | 6805 |
| | | | | | |
| 2. REVENUE COSTS | 2013/14 £'000 | 2014/15 £'000 | 2015/16 £'000 | 2016/17 £'000 | Total £'000 |
| <u>Service Controlled - Expenditure</u> | | | | | |
| Employees Maintenance Equipment Administration | | | | 5 | 5 |
| NET EXPENDITURE | 0 | 0 | 0 | 5 | 5 |