

Report of the Cabinet Member for Education

Cabinet – 16 June 2016

21st CENTURY SCHOOLS PROGRAMME

PURCHASE ORDER VARIATION TO INCLUDE A SUMMER PROGRAMME OF WORKS – REFURBISHMENT AND REMODELLING OF PENTREHAFOD SCHOOL'S EXISTING BUILDINGS

Purpose:	<ul style="list-style-type: none">• To approve pre-construction works of car park to the front of Pentrehafod School prior to Welsh Government approval of the full business case and contract and subject to planning approval• To approve pre-construction works of boundary fencing prior to Welsh Government approval of the full business case and contract and subject to planning approval
Policy Framework:	<ul style="list-style-type: none">• One Swansea Plan• The revenue and capital budget as reported to and approved by Council on 10 February 2015.• QEd 2020 Programme• Corporate priority to review the overall provision of schools.• Corporate priority to improve opportunities for children and young people.• Corporate priority to improve school performance.• Corporate priority to ensure effective corporate and strategic management of assets.
Reason for decision:	<p>To progress enabling and external works during July/August 2016, prior to Welsh Government approval of the full business case and contract, and prior to award of second-stage contract for construction.</p> <p>To obtain authorisation for spend against City and County of Swansea's 50% contribution for the project prior to Welsh Government final approval of its 50% funding contribution.</p>
Consultation:	Education, Finance, Legal and Democratic Services, Corporate Building and Property Services.

Recommendation(s):

It is recommended that;

- 1) the summer programme of capital works as detailed together with the financial implications set out in Appendix A is approved, subject to planning approval and prior to the confirmation of the grant and entering into a contract with Welsh Government;
- 2) the first-stage purchase order for the design of refurbishment, remodelling and extension works for Pentrehafod School is varied to include the summer programme works (subject to planning approval);
- 3) the Head of Legal and Democratic Services is authorised to enter into any necessary documentation required to vary the purchase order and achieve the summer programme; and
- 4) a detailed contract award report detailing the total costs for the project and an equality impact assessment will be submitted to Cabinet in September 2016 prior to the major construction works being carried out.

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**Access to Services
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1. Introduction/Background

- 1.1 The Strategic Outline Programme (SOP) detailing the re-organisation and investment need 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 the WG subject to contract and a local authority contribution of 50% towards the overall costs.
- 1.3 In line with WG programme requirements, the Capital Budget Programme 2013-2014 to 2019-2020 provides an outline spending profile for the early priority projects, totalling £51million. Included within this first phase of priority projects are refurbishment and remodelling works for Pentrehafod School, with a provisional budget of £12.720 million, to be funded 50% by City and County of Swansea (CCS) and 50% by Welsh Government.
- 1.4 WG approval of the Strategic Outline and Outline Business Cases was granted in February 2015. This was then followed by the appointment of Morgan Sindall in February 2016.

1.5 Subject to the successful approval of the full business case which is to be submitted July 2016, the local authority will enter into a formal contract with the WG which will form a binding agreement with the CCS.

2. Description of works at Pentrehafod School

Major refurbishment and remodelling works

- 2.1 The project aims to provide the pupils and staff of Pentrehafod School with a safe, sound and fit-for-purpose school environment.
- 2.2 The phased programme of works will include the refurbishment of existing buildings, curriculum remodelling and the extension of buildings to replace the substandard demountables which are no longer fit for purpose.
- 2.3 The finished school will also include a two classroom extension for Pentrehafod Alternative Curriculum Education (PACE) pupils, alongside the existing changing rooms. It is expected that the new unit will be part funded through Schools Challenge Cymru funding of £150,000. This was awarded to the school in 2014 and deferred to 2016 in order to support the wider strategy for the school site. This facility will be available to the community out of school hours.
- 2.4 The phased works will also include the relocation and rebuild of the changing rooms which will be part of the new PACE Unit as outlined above. The existing red gravel area which will be available to the community out-of-school hours will be resurfaced.
- 2.5 The proposals also include for the demolition of the existing substandard demountable buildings on the school site.

Summer programme of works

- 2.6 In an effort to make use of the summer holiday period the contractor has outlined a programme of summer works, including external works and enabling works to ensure that the major construction works could commence in September 2016.
- 2.7 The summer programme of works would require the local authority to draw upon its 50% contribution to the project prior to WG approval of the full business case (FBC) and confirmation of its 50% contribution to the project.
- 2.8 Approval of this summer programme of works would place a financial risk on the local authority if WG funding was not approved. If this happens, the local authority would be required to draw further on its 50% funding allocations to complete works on the school site allowing it to operate fully.
- 2.9 The summer programme of works' aim will be to enhance the major programme of works, as outlined above, through better segregation and management of the site during the construction phases as follows:
- 2.10 Construction of a new school car park to the front of the school. This will allow the construction compound to be erected on the red gravel area prior to the start of

term and in so doing ensure the segregation of pupils and staff from all construction activity. This work will include the construction of a separate entrance to the site adjacent to the new car park, which would allow construction traffic to enter site separate to the staff and pupil entrance.

- 2.11 Construction of new boundary fencing. This will allow the appropriate fencing line to be established prior to the start of the construction works, thus ensuring safe pupil and staff movement around the site during the construction programme.

3. Equality and engagement implications

- 3.1 A full Equality Impact Assessment has been completed for the project which shows that the project will not place any group at a disadvantage through the project and its outcomes. Instead the refurbishment programme will enhance the use of the school and its grounds by the wider community out of school hours.

4. Financial implications

Capital

- 4.1 In line with the QEd Programme requirements the Capital Budget Programme as reported to Cabinet on 25 February 2016 provides an outline-spending profile for the early priority projects totalling £51million. Included within this first phase of priority projects are the phased works at Pentrehafod School.
- 4.2 Once the final design has been completed for the project, a detailed delegated powers report on the costs will be submitted for approval to award second-stage contracts prior to any construction works being carried out, the determination of the planning application estimated to be in July 2016 and the consideration of the full business case by WG in August 2016.
- 4.3 The WG grant is subject to the approval of the full business case and contract with WG. Until this contract is signed, any ongoing design costs will need to be met from the CCS's own resources but it should then form part of the local authority's 50% local contribution towards the projects.
- 4.4 The proposed summer programme of works as outlined in Appendix A would be met from CCS's own resources but it should then form part of the local authority's 50% local contribution towards the project if the FBC is approved and the WG contract signed.
- 4.5 The overall project budget for stages one and two is £12.72million; the first stage purchase order has been valued at £399,467.70. It is proposed that this first stage contract is varied to £962,000 to allow the summer programme of works to proceed. If WG approve the project the costs of £962,000 would represent part of the local authority's 50% contribution to the project.
- 4.6 However, if WG does not approve the FBC and enter into a contract with the Authority to fund 50% of the project then the local authority would have to fund the full 100% of these works and commit a further £700,000 for the following in

order to complete the works that would have been completed as part of the full project to be funded 50% by City and County of Swansea and 50% by Welsh Government:

- red gravel area made up to full size is estimated to be circa £200,000; and
- demolition and rebuild of changing room block to the front of the school site circa £500,000.

4.7 In total this means the local authority would need to invest £1,662,000 in costs if WG does not approve the project, which will increase the overall funding shortfall within the capital programme.

4.8 However, if WG does approve the project the costs of £962,000 would represent part of the local authority's 50% contribution to the project.

4.9 The likelihood of the risk that WG will not finally approve a full business case and enter into contract with CCS is low, as the outline business case has already been approved in principle and the local authority was authorised to progress to full business case. The full business case submission is expected to be based on the same cost as the outline business case and to meet all the investment objectives.

5. Legal implications

5.1 This report is seeking authorisation to vary the pre-construction services Purchase Order to include a works element as outlined in Appendix A of this report to the value of £962,000. The NEC contract permits additional work to be awarded to a contractor in the form of a Project Manager's instruction.

5.2 As outlined above, there is a risk that Welsh Government will not approve the scheme, the Council need to agree to providing the required sum in order to complete the initial works.

5.3 A further contract award report will be submitted to award the second Stage contract later in 2016 and prior to the major phased programme of works being carried out across the school buildings.

5.4 The grant/funding agreement with WG is likely to contain conditions which are legally binding upon CCS. The Council will need to ensure that it is able to comply with the same.

Background papers

Cabinet Report 21 January 2016 - 21st Century Schools Programme - Contract award and capital programme authorisation for the design and refurbishment of Pentrehafod School's existing school buildings

Appendix:

Appendix A - Financial Implications