



Report of the Cabinet Member for Education & Learning

Cabinet – 21 July 2022

Additional Funding to Requirements for the Remodelling and Refurbishment Project at Bishopston Comprehensive School

Purpose:	<p>To comply with Financial Procedure Rule 7 (Capital Programming and Appraisals) to commit and authorise schemes in the Capital programme and to add additional funding requirements for the remodelling and refurbishment of Bishopston Comprehensive School.</p> <p>To seek authorisation to commit a revised total of £15,163,914 to the capital programme to fund the construction phase costs.</p>
Policy Framework:	<ul style="list-style-type: none">• QEd Programme and Strategic Outline Programme for Band B of the 21st Century Schools and Colleges Programme• The Corporate Plan• Contract Procedure Rules and Financial Procedure Rules• The Capital Budget & Programme 2021/22 to 2025/26 approved by Council on 3 March 2022.
Consultation:	<p>Access to Services, Finance, Legal, Corporate Building Services, Corporate Property Services, Procurement.</p>
Recommendation(s):	<p>It is recommended that:</p> <ol style="list-style-type: none">1) The revised capital scheme as detailed together with the financial implications is approved in line with FPR7.
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1. Introduction

- 1.1 Planning consent for the project was obtained on 19 March 2020.
- 1.2 A Contract Award report and Financial Procedure Rule 7 (FPR7) report was presented to and approved by Cabinet on the 7 May 2020, recommending that the contract be awarded to Kier Western Ltd, and that £13,808,024.29 be committed to the capital programme to fund the construction phase costs.
- 1.3 A Full Business Case (FBC) was approved by Welsh Government (WG) in July 2020.

2. Background

- 2.1 The Welsh Government formally confirmed on the 7 December 2017 that the envelope for Band B of the Council's 21st Century Schools and Colleges / QEd Programme was approved in principle with an estimated programme envelope cost of £149.7 million, since amended to £149.5m, to reflect the reciprocal increase in the Band A programme. This is subject to the approval of individual project business cases.
- 2.2 The approval in principle of the Strategic Outline Programme for Band B does not commit the Council, since the final approval of any capital allocation from the Welsh Government is subject to the submission of further detailed business cases in respect of each specific project.
- 2.3 Swansea Council's Quality in Education (QEd) / 21st Century Schools and Colleges Band B Programme focuses on an investment need which reflects the challenges remaining across our schools. The Band B programme remains consistent with local policies, priorities and commitments, as well as the priorities and specific criteria set down by the WG as follows:
 - To provide an efficient and effective educational infrastructure that will meet current and future demand for places by 2024
 - Ensuring the right size schools in the right location, with enough places to deliver Welsh and English medium education, whilst ensuring effective and efficient use of the educational estate
 - Reducing backlog maintenance costs by at least 50% whilst improving any category C or D condition buildings to A or B
- 2.4 The Council's 21st Century Schools and Colleges Programme Capital Expenditure & Financing 2018/19 to 2024/25 provides an outline spending profile for the priority projects. Included within this phase of priority projects is English-medium secondary schools, which aims to address the significant condition and suitability needs across a number of sites which are well beyond the scope of the Council's annual structural maintenance

programme. Works will need to be phased across Bands B, C and D reflecting the level of funding available, prioritising the areas of greatest need.

- 2.5 Bishopston Comprehensive School is the first of those projects and at SOC / OBC stage the total estimated cost of the project was £11,865,981 from the Band B programme. The cost estimate was revised at stage 3 design stage prior to pre-market testing to £12,446,356, and further revised again at stage 4 to commit £13,808,024 to the capital programme, of which £13,515,395 was to be funded from the Band B programme, and £292,630 was to be funded from additional available funding.
- 2.6 In March 2021, a decision was made at Delivery Group not to proceed with the erection of site boundary fencing. This was due to the proposed fencing scheme not being able to provide adequate security to prevent members of the public being in a position to access the site whilst the sports centre is open. In addition, it was also felt that the proposed scheme did not provide value for money. As such, an insurance contribution of £134,150, as part of the £292,630 additional available funding, was removed.
- 2.7 Due to various challenges, including COVID-19, insufficient provisional sums and unforeseen build issues, we are now seeking to commit a further £750k to be funded from the Band B programme envelope. This is explained in more detail later in the report, and the changes to the cost plan are explained in more detail in the Financial Implications.

3. Description of the scheme

- 3.1 The proposed scheme includes the refurbishment and remodelling of the existing Phase 1, 2 and 3 buildings, together with a two-storey extension to replace the demountables that are no longer fit for purpose and address the accommodation deficiencies, plus a single-storey extension to create a new reception area.
- 3.2 It does not include the relatively recently constructed Specialist Teaching Facility and was not intended to result in a change to the capacity of the school.
- 3.3 Since the approval of the SOC / OBC, approval was given to a planning application for a nearby development which will result in an additional 10 pupils based on the calculation derived from the Supplementary Planning Guidance. A s.106 contribution which has to date been paid in part, requires an increase in capacity of 10 pupil places, and so the scope has been revised to reflect this.
- 3.4 The external site arrangements and opportunities to make improvements to the traffic management are still under review and are therefore represented by provisional sums in the estimated cost plan.
- 3.5 The project timeline has been revised to reflect the current progress, which has been hampered by unforeseen delays. This is summarised below;

Milestone	Start Date	End Date
FPR7 Stage 2 – Construction	30/04/2020	14/05/2020
FBC Completion / Economic Case Review	30/04/2020	29/05/2020
Demolition Period	Jun 2020	Jul 2020
Construction of new build period (phase 1 and 2)	Jul 2020	Jul 2021
Remodelling / refurbishment (main building)	Dec 2020	Mar 2023
Transition / Occupation	Mar 2023	Mar 2023

3.6 The timeline is reflective of the current situation, where a succession of minor delays has resulted in required amendments to the programme, meaning a further significant delay, which has ultimately caused a projected overall delay of 22 weeks.

4. Objectives of Project

4.1 The programme of works was prioritised to address the areas of greatest need, and were to;

- a) Provide a fit for purpose 21st Century learning environment for pupils and staff at Bishopston Comprehensive in line with BB98 guidelines and with improved accessibility, and safeguarding infrastructure by March 2023
- b) Continue to at least maintain attainment levels
- c) Reduce structural backlog maintenance by March 2023
- d) Remove condition category C- by March 2023
- e) Improve building efficiency, maximising use of assets, improving operational efficiency and use of all relevant resources by March 2023

5. Current Position

5.1 Due to the Bishopston Comprehensive School project being a refurbishment, as opposed to a new build, and due to the perceived additional risk associated with COVID-19, an optimism bias percentage of 5%, equating to £657,524.97, was agreed.

5.2 The project has been affected by several unforeseeable issues. At the point of commencing site construction work in June 2020, the COVID-19 pandemic was in its initial stages where the implications were largely unknown. To date COVID-19 has directly impacted the available budget by approximately £60k. The indirect impact is unknown but considerable unforeseen rises in building material costs has resulted in a significant additional burden on the project budget. There have been issues encountered throughout the project that have required additional works, and the provisional sums allowed for three items were entirely inadequate although some additional funding was sourced to help mitigate this in part.

5.3 To date the project has been impacted by £729k of compensation events with over £200k of further compensation events not agreed, with the vast majority

of compensation events relating to unforeseen issues with the existing school building.

6. Financial Implications

Capital

6.1 The approved capital funding and financial implications as set out in the FPR7 report of May 2020 is summarised below;

	Expenditure	£
1	Main contractor (pre-construction & construction)	£12,725,395
2	Direct costs (fees & surveys)	£30,240.32
3	Legal costs	£5,000
4	Digital Learning	£35,000
5	Decant	£50,000
6	CBS fees	£140,000
7	Education Fees	£80,000
8	Furniture	£84,864
	Total	£13,150,499.32
9	Optimism bias @ 5.00%	£657,524.97
	Total	£13,808,024.29

6.2 The current spend forecast considering the factors that have affected the project explained in section 5 above and considering the remaining contract term of 10 months to March 2023 and the still outstanding risks associated with this project at this stage is **£15,163,914**.

6.3 Every effort has been made to manage the spend within the available budget and additional funding has been sourced to endeavour to achieve this. The original approved cost plan and funding and revised proposed cost plan and funding is shown below;

Original approved cost plan and funding £13,808,024.29	
Band B funding at May 2020	£13,515,394
s.106 funding	£158,480
Insurance	£134,150
Total	£13,808,024

Revised cost plan and funding £14,892,379		
a	Band B funding in May 2020	£13,515,394
b	Additional Band B funding in October 2021	£343,504
c	s.106 funding	£167,878
d	Insurance	£0
e	Freedom Leisure contribution	£40,000
f	School contribution	£40,000
g	Facilities Management contribution (kitchen works)	£40,000
h	Corporate Building Services contribution (roof works)	£267,138
i	Further funding required	£750,000
j	Total	£15,163,914

6.4 This report is therefore seeking approval to increase the original FPR7 from £13,808,024.29 to £15,163,914. This will be managed within the Band B programme envelope.

Revenue

6.5 Schools are funded from an overall delegated budget – the Individual Schools Budget (ISB). There is a funding formula that allocates a budget share to each individual school from the ISB. The floor area of the school is likely to increase and this will result in an increase of budget share.

6.6 The existing backlog maintenance £3,326,744, which will be a mix of both capital and revenue costs, would be significantly reduced.

6.7 There will be an increase in business rates, energy costs and cleaning etc due to the increase in floor area, however the refurbished and new buildings would be more energy efficient.

7. Legal Implications

7.1 The contract was awarded via the South West Wales Regional Framework which is led by Carmarthenshire County Council and was established in accordance with EU legislation. The Contract Award for additional requirements is recommended for approval in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015. Any additional procurement must follow these rules and regulations.

7.2 Any variations to the contract will be covered by appropriate contract documentation to be prepared and approved by the Chief Legal Officer.

7.3 The Council must ensure that it complies with the terms and conditions of any offer of grant funding issued by WG.

8. Well Being of Future Generations

- 8.1 As part of this process we have also considered the Well-being of Future Generations Act. The Act ensures that public bodies think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach.
- 8.2 Band B of the 21st Century Schools and Colleges Programme is based upon a consistent and objective assessment of each sector and school catchment, reviewing current pupil numbers and capacities with projected future demand for places and also the number of pupils nearest to each School. This has demonstrated that there is a continued and sustained need for the English-medium secondary school in this location.
- 8.3 All projects have a communication plan, which is reviewed regularly. This includes the engagement strategy; in this case there has been extensive engagement with the other site users Cultural Services and Freedom Leisure, and the team are also working closely with the Specialist Teaching Facility Manager to ensure that other agencies and support are fully engaged.
- 8.4 The school (governors, head, staff, pupils, parents) have been fully engaged since project inception, and this will continue throughout the lifecycle of the project to ensure that the views of stakeholders are fully taken into account.
- 8.5 This project is a good example of where the Council is seeking to incorporate the flexible and multiple use of assets. The site is already a mixed-use site, however working closely with Cultural Services and Freedom Leisure, the project should support that mixed-use, to the benefit of the school and the community.
- 8.6 The scope of the project includes to improve accessibility, safeguarding and security, improve energy efficiency, reducing CO2 emissions and enhancing the learning environment.
- 8.7 The project will also be subject to community benefits targets, which will include;
- STEAM Engagement target of 150 hours per million investment.
 - Provide opportunities for NEETs and Long Term unemployed (benchmark of one FTE per million per construction project)
 - Jobs created (52 weeks per million investment on each construction project)
 - 25 person training weeks provided per million investment
 - 1 apprentice per million investment per construction project.
 - 85% of waste diverted from landfill.
 - Max 10 tonnes waste per million.

9. Integrated Assessment Implications

- 9.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 9.2 The Well-being of Future Generations (WFG) (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development.
- 9.3 Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 9.4 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 9.5 An IIA screening has been undertaken and it has been determined that the project does not require a full IIA report.
- 9.6 A full Equality Impact Assessment was undertaken (Appendix 2) for the project initially, and it shows that this project will have a positive impact on;
- 9.7 *Age* – Bishopston Comprehensive School is a school for pupils aged 11-16 years. This project will have a very positive impact on the Education of all 11-16 year olds who attend the school in the future
- 9.8 *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.

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

Background Papers:

Capital Budget & Programme 2019/20 to 2024/25 approved by Council on 5 March 2020.

Quality in Education (QEd) – Emerging Proposals and Investment Priorities for the next band of the 21st Century Schools Programme - Cabinet 20 July 2017

Delegated Powers Report to Cabinet Member for Education, the Chief Education Officer, the Head of Financial Services, and the Head of Legal, Democratic Services and Business Intelligence - 20 February 2018 - Band B – Progression of early projects to Full Business Case

FPR7 Report to Cabinet – 21 March 2019 - First Stage (Construction) Contract Award and associated Capital Programme Authorisation for the Remodelling and Refurbishment Project at Bishopston Comprehensive School

FPR7 Report to Cabinet - 20 June 2019 - First Stage (Pre-Construction) Contract Award and associated Capital Programme Authorisation for the Remodelling and Refurbishment Project at Bishopston Comprehensive School

FPR7 Delegated Powers Report to Cabinet Member for Education Improvement, Learning and Skills, the Director of Education, the Chief Finance Officer, and the Chief Legal Officer - 21 January 2020 - Capital Programme Authorisation for additional elements of work during the First Stage (Pre-Construction) of the Remodelling and Refurbishment Project at Bishopston Comprehensive School

FPR7 Report to Cabinet – 7 May 2020 - Second Stage (Construction) Contract Award and associated Capital Programme Authorisation for the Remodelling and Refurbishment Project at Bishopston Comprehensive School

Appendices:

Appendix 1 - Financial Implications

Appendix 2 - Equality Impact Assessment

