



Report of the Cabinet Member for Education & Learning

Cabinet – 18 May 2023

Installation of a 3G Pitch at Olchfa Comprehensive School

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| Purpose: | To comply with Financial Procedure Rule 7.4 to commit and authorise a further £378,244 to the capital programme bringing the total to £1,633,244, to allow for the installation of an artificial games surface (3G) and new boundary fence at Olchfa Comprehensive School. |
| Policy Framework: | Capital Budget & Programme 2022/2023 and Property Service Asset Management Plan 2021-2025 |
| Consultation: | Olchfa Comprehensive School, Corporate Property, Access to Services, Finance, Legal. |
| Recommendation(s): | It is recommended that Cabinet: 1) Approves the addition of a further sum of £378,244 to the capital programme bringing the total sum committed to this scheme to £1,633,244. This increased commitment is based on tender return values and is to be funded from the proceeds of the sale of land at Olchfa Comprehensive School. |
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| Legal Officer: | Debbie Smith |
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1. Introduction

- 1.1 A report was presented to Cabinet on the 21 July 2022 for approval to commit £1.255 Million to the capital programme for the installation of an artificial games surface (3G) and new boundary fence at Olchfa Comprehensive School to be fully funded by the capital receipt from the land disposal at the school.

- 1.2 The land sale was dependent on the provision of an artificial games surface being funded from the proceeds of the sale (in line with the consultation with the Governing Body) as approved by Cabinet in June 2016.
- 1.3 The report of July 2022, was approved on the basis that installation of an all-weather pitch and new boundary fence, would be funded from and subject to completion of the land sale and receipt of the 50% payment of the purchase price by the purchaser.
- 1.4 As tender prices had not yet been received, the cost plan and subsequent budget for the report presented and approved on 21 July 2022, was estimated based on market intelligence available at that time.
- 1.5 As a result of the completion of the land sale in January 2023, we have now been able to go to the market for the 3G install and associated fencing. Tenders have been returned and evaluated and we now seek to commit a further £378,244 to the capital programme, to complete the 3G installation.

2. Background and Timeline

- 2.1 A report was presented to Cabinet on the 16 June 2016 to consider the response to the consultation carried out with Olchfa Governing Body on the proposed land sale at the school site.
- 2.2 It was resolved that the site as indicated being approximately 7.8 acres (31,566m²) be declared as surplus to requirements, subject to the provision of an artificial games surface being funded from the proceeds of the sale.
- 2.3 A further report was then presented to the council's Cabinet on the 15 March 2018 to consider the responses / objections to the required consultation for the disposal of the land.
- 2.4 In consideration of the report presented to Cabinet on 15 March 2018, and the objections and response to the proposed disposal, Cabinet resolved that:
 - o The site as indicated on the plans being approximately 7.8 acres (31,566m²) is surplus to requirements, subject to the provision of an artificial games surface being funded from the proceeds of the sale, and;
 - o Authority be delegated to the Director of Place to proceed with the disposal by marketing the land identified and to report back to Cabinet in due course upon completion of that exercise.
- 2.5 Estates were able to proceed with the disposal 12 weeks after publication of the decision.

- 2.6 LSH marketed the site and managed the sales process from September 2018 through tender and interviews with all interested parties. This led to Cabinet approving a sale of the land to Bidder 2, in February 2020.
- 2.7 Unfortunately, this did not progress, and a further report was taken to Cabinet in May 2021 to approve the sale of the land to a new bidder. It was resolved that the recommendations as detailed in that report be approved.
- 2.8 In October 2021 Contacts were exchanged between Swansea Council and prospective purchaser for the land sale area. An initial deposit was paid of £450,000
- 2.9 In September 2022 Cabinet approved a reduced offer could be accepted, it was agreed that the land sale value would not be less than £2.85m, subject to final approval of the sustainable drainage solution.
- 2.10 In January 2023 the land sale was completed. The initial 50% has been paid £1.425m with a further 50% payable 12 months from the initial 50%.
- 2.11 A delegated powers report was submitted by the Education Directorate to commit £14,350 to the 2018-19 capital programme for the preliminary works required to seek planning approval for the 3G installation.
- 2.12 A further delegated powers report was submitted by the Education Directorate to submit a further £16,000 to the 2022-23 capital programme for the additional works required to commence the procurement process for the 3G installation.
- 2.13 In July 2022 Cabinet approved the commitment of £1.255 million to the capital programme for the installation of an all-weather pitch and new boundary fence, to be funded from the proceeds of the sale of land at Olchfa Comprehensive School as agreed at Cabinet 15 March 2018, subject to completion of the land sale and receipt of the 50% payment of the purchase price by the purchaser.
- 2.14 Following completion of the land sale, the 3G installation works were tendered from 15 February 2023 for 4 weeks. These tenders have now been returned and evaluated and approval was received on 29 March 2023 to award to the winning tender pending approval of this updated FPR7. It is anticipated that the contractor will begin mobilisation at the latter end of April 2023.
- 2.15 Morganstone, the land purchaser, has already commenced building works at the site; the sale area has been segregated from school use. We are to erect our boundary fence from April 2023.
- 2.16 It was envisaged that the 50% of sale value received at contract completion would be sufficient to cover all the installation costs of the 3G and associated fencing. However, this is no longer the case and the 3G

would need to be installed at a degree of risk until the remaining 50% sale value is received.

- 2.17 It is expected that the remaining 50% of the sale value will be paid by the contractor 12 months after the initial payment and is therefore expected in January 2024.

3. Proposal

- 3.1 Authorisation was requested and approved to commit £1.255m to the capital programme for the installation of a 3G and associated fencing at Olchfa Comprehensive School, subject to completion of the land sale and receipt of the 50% payment of the purchase price by the purchaser.
- 3.2 Tender prices have now been received and are higher than expected due to current market conditions and ground conditions at the site. The updated cost plan below is now based on the returned tenders.
- 3.3 The updated cost plan is summarised below.

| Item | Value £ | Comments |
|----------------------------------|------------------|---|
| Main Contract | 1,239,309 | 3G installation and SAB |
| Trakway | £8,500 | Temporary fire muster point |
| Fencing | 166,000 | Secure boundary and ball stop fencing |
| CBS to construction | 123,930 | To construction |
| Surveys, Compliance and planning | 13,540 | |
| Education fees | 20,000 | To construction |
| Contingency | 61,965 | 5% of contract value to reflect unknown risks |
| Total | 1,633,244 | |

- 3.4 We now need to commit a further £378,244 to the capital programme bringing the total commitment to £1,633,244 for the installation of the 3G pitch and associated fencing.
- 3.5 An expression of interest has been submitted to Welsh Government for a further £435,000 from the Community Focused Schools grant towards the anticipated increase in the costs of installing the 3G at Olchfa Comprehensive School.
- 3.6 This request has now been approved in principle by Welsh Government pending completion of a Project Information Proforma. This will reduce the requirement to draw on the purchase price of the land sale by £435,000 and will therefore remove the outstanding capital risk.

4. Integrated Assessment Implications

- 4.1 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.

4.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. 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'.

4.1.2 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.

4.2 An Integrated Impact Assessment Screening form has been completed and is attached in Appendix B. As a result, it has been determined that the project does not require a full IIA report.

4.3 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.

4.4 The School and their Governing Body have also been actively engaged throughout the process and will remain so until completion.

4.5 Internal subject matter experts have also been engaged to provide advice on the installation. Officers will continue to work with the school and our internal subject matter experts throughout the remainder of the process to minimise any negative impact on the school and minimise risk.

5. Financial Implications

Capital

- 5.1 These are set out in Appendix A.
- 5.2 In July 2022 a budget of £1.255m was approved toward the installation of the 3G pitch at Olchfa Comprehensive School. This report seeks approval for an additional £378,244 to be added to the project budget to bring its total budget to £1,633,244.
- 5.3 Funding for the entire scheme is split between capital receipts and unsupported borrowing. 50% of the capital receipts from the land sale at Olchfa (£1.425m) is to be used towards funding the project. The remaining £208,244 is to be funded initially from unsupported borrowing.
- 5.4 The department are in the process of finalising a grant for £435k. It is intended that any grant received will replenish any unsupported borrowing used, up to a maximum of £208,244.

Revenue

- 5.5 The school may benefit from some savings in their delegated budget for the grounds maintenance and security but would need to set aside a revenue budget for the 3G pitch maintenance.
- 5.6 The 3G surface and shock pad would need replacing after 10 years and the school would therefore be advised to establish a sinking fund. This would be funded from the school's delegated budget and / or income from lettings by the school as appropriate.

6. Legal Implications

- 6.1 The legal implications of this disposal have been detailed in previous reports to Cabinet.

Tender process

- 6.2 All contracts for works, goods and services necessary to deliver the scheme must be procured in accordance with the council's Contract Procedure Rules and the relevant procurement legislation as appropriate. The contractual liabilities/obligations of the council and any appointed contractors will be covered by the individual contracts entered into

Background Papers:

Report of the Cabinet Member for Education to Cabinet 16 June 2016
Report of the Cabinet Member for Education to Cabinet 15 March 2018
Report of the Cabinet Member for Education to Cabinet 21 July 2022

Report of Cabinet Member for Learning and Skills and Cabinet Member for Finance and Resources to Cabinet April 2013; 21st Century Schools Programme.

Report of Cabinet Member for Learning and Skills to Cabinet 28 May 2013; Capital receipts from sale of land / property on School sites proposed incentive scheme.

Report of the Cabinet Member for Delivery and Operations 20 May 2021

Report of the Cabinet Member for Delivery and Performance 20 February 2020

Delegated Powers Report of the Director of Education January 2019

Delegated Powers Report of the Director of Education January 2019 updated April 2022

Capital Budget & Programme 2022/2023 & Property Service Asset Management Plan 2021-2025

Appendices:

Appendix A Financial Implications Summary

Appendix B Integrated Impact Assessment

FINANCIAL IMPLICATIONS : SUMMARY

Portfolio: Education

Service : Planning and Resources

Scheme : Olchfa Land sale All-weather (3G) pitch

| 1. CAPITAL COSTS | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | TOTAL |
|---|---------|---------|---------|---------|---------|-----------|
| | £m | £m | £m | £m | £m | £m |
| <u>Expenditure</u> | | | | | | |
| Works | | | | | 1.49 | 1.49 |
| Env Improvements | | | | | | 0.00 |
| Fees | 0.01 | 0.01 | | 0.05 | 0.07 | 0.14 |
| Furniture/Fittings | | | | | | 0.00 |
| Equipment | | | | | | 0.00 |
| Budget Code: | | | | | | |
| EXPENDITURE | 0.01 | 0.01 | 0.00 | 0.05 | 1.56 | 1.63 |
| Note - spend only to be added to the capital programme once the capital receipt has been realised | | | | | | |
| <u>Financing</u> | | | | | | |
| CCS funding realised from the Land sale at Olchfa Comp WG grant WEFO grant | | | | 1.43 | | 1.43 |
| CCS unsupported borrowing initially | | | | | 0.21 | 0.21 |
| FINANCING | 0.00 | 0.00 | 0.00 | 1.43 | 0.21 | 1.63 |
| 2. REVENUE COSTS | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | FULL YEAR |
| | £m | £m | £m | £m | £m | £m |
| <u>Service Controlled - Expenditure</u> | | | | | | |
| Employees | | | | | | 0.00 |
| Maintenance | | | | | | 0.00 |
| Equipment | | | | | | 0.00 |
| Administration | | | | | | 0.00 |
| NET EXPENDITURE | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 |