



**Report of the Cabinet Member for  
Education Improvement, Learning and Skills**

**Cabinet – 21 March 2019**

**First Stage (Construction) Contract Award and  
Associated Capital Programme Authorisation for the  
Remodelling and Refurbishment Project at  
Bishopston Comprehensive School**

<b>Purpose:</b>	<ul style="list-style-type: none"><li>• To seek authorisation to award the Stage One contract for the works to Tender 4.</li><li>• To seek authorisation to commit a total of £551,469 to the capital programme to fund the pre-construction phase costs. To comply with Financial Procedure Rule 7 – to commit and authorise a new scheme to the Capital Programme.</li><li>• The Revenue Budget 2018/2019 and the Capital Budget 2017-2018 to 2023-24 was approved by Council on 6 March 2018.</li></ul>
<b>Policy Framework:</b>	<ul style="list-style-type: none"><li>• QEd Programme and Strategic Outline Programme for Band B of the 21<sup>st</sup> Century Schools Programme</li><li>• Asset Management Plan</li><li>• Contract and Financial Procurement Rules</li></ul>
<b>Consultation:</b>	Access to Services, Finance, Legal, Corporate Building and Property Services.
<b>Recommendation(s):</b>	It is recommended that:  1) That Contractor 4 be appointed to carry out the pre-construction service to the sum of £392,000. Contractor 4 is considered to represent the most economically advantageous tender and that which gives best value to the authority.

- 2) That £551,469 is committed to the capital programme to fund the pre-construction phase costs, including the pre-construction contractor service and internal fees.
- 3) The Chief Legal Officer is authorised to enter into any necessary documentation to complete the contract and achieve the project.
- 4) That a further report is submitted in late 2019 to consider the approval of the Stage Two contract award and subject to confirmation and acceptability of construction costs to commit the project cost to the capital programme prior to any physical works being carried out.

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**Legal Officer:** Debbie Smith

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## 1. Introduction

- 1.1 The Welsh Government formally confirmed on the 7 December 2017 that the envelope for Band B of the Council's 21st Century Schools / QEd Programme was approved in principle with an estimated programme envelope cost of £149.7 million. This is subject to the approval of individual project business cases.
- 1.2 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.
- 1.3 Swansea Council's Quality in Education (QEd) / 21<sup>st</sup> Century Schools 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 Welsh Government 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
- 1.4 The Council's 21st Century Schools Programme Capital Expenditure & Financing 2017/18 - 2023/24 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.

- 1.5 Bishopston Comprehensive School is the first of those projects and has been scoped with an indicative budget cost at this stage of £11,865,981.

## 2. Description of the scheme

- 2.1 The proposed scheme will include the refurbishment and remodelling of the existing Phase 1,2 and 3 buildings, together with a two-storey extension to replace the demountables which are no longer fit for purpose and address the accommodation deficiencies.
- 2.2 It does not include the relatively recently constructed Specialist Teaching Facility, and will not result in a change to the capacity of the school.
- 2.3 The indicative project timeline is outlined below;

Milestone	Start Date	End Date
Design Development RIBA Stage 2-4	06/03/2019	07/10/2019
Planning Period	07/10/2019	27/01/2020
FPR7 Stage 2 – Construction	17/02/2020	02/03/2020
FBC Completion / Economic Case Review	02/03/2020	16/03/2020
Planning Condition / Discharge		29/05/2020
Demolition Period	May	June 2020
Construction of new build period	June 2020	March 2021
Remodelling / refurbishment ( main building)	March 2021	Dec 2021
Transition / Occupation	Dec 2021	Jan 2022

## 3. Objectives of Project

- 3.1 The programme of works has been prioritised to address the areas of greatest need, and are 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 January 2022
  - b) Continue to at least maintain attainment levels
  - c) Reduce structural backlog maintenance by January 2022
  - d) Remove condition category C- by January 2022

- e) Improve building efficiency, maximising use of assets, improving operational efficiency and use of all relevant resources by January 2022

#### 4 Procurement

- 4.1 This project was procured through a two-stage procurement process utilising the South West Wales Regional Framework via a mini competition to procure a contractor to develop the design and carry out the construction works. Stage One includes the carrying out of all necessary surveys, obtaining required reports and investigations and developing the initial design to obtain planning permission and building regulations approval. At this point the contractor will tender the works packages and provide the Council with a fixed cost for the works. Stage Two is the period when the contractor executes out the construction works, which will be carried out in phases to minimise disruption to the operation of the school.
- 4.2 A mini tendering exercise was undertaken through the e-tender portal, inviting eight bidders from the SWWRCF Contractor Framework. Six Framework contractors accepted the invitation to tender, the remaining two contractors declined to tender.
- 4.3 The Tender Evaluation Report of 12 February, 2019 sets out the tendering procedure.
- 4.4 All six tenders were returned and opened in accordance with the Authority's Contract Procedural Rules on 1<sup>st</sup> February, 2019.

		<u>Quality</u>	<u>Price</u>	<u>Total</u>
1.	Contractor 1	1885	2430	<b>4315</b>
2.	Contractor 2	1950	2383	<b>4333</b>
3.	Contractor 3	2035	2445	<b>4480</b>
4.	Contractor 4	2040	2456	<b>4496</b>
5.	Contractor 5	2055	2424	<b>4479</b>
6.	Contractor 6	1810	2462	<b>4272</b>

- 4.5 Contractor No. 4 has been approved by the Tender Evaluation Panel, and recommended for Contract Award by the Responsible Officer and Finance, Legal, Democratic Services and Business Intelligence and Commercial Services in accordance with the Council's Contract Procedure Rules.
- 4.6 The tender value for the Stage One contractor appointment is £392,000.

## 5. Financial Implications

### Capital

- 5.1 Welsh Government funding for Band B of the 21<sup>st</sup> Century Schools Programme is being provided through £600m capital and £500m revenue funding for the whole of Wales. It is proposed that the capital investment projects related to the specific proposals within this report are funded from traditional capital streams. It was announced by Welsh Government on the 21 November 2018, that For Band B the grant rate for capital projects will be increased to 65%. (The intervention rate for special schools and PRUs will be increased to 75%). However the programme envelope remains the same.
- 5.2 The total estimated cost of the new build for Bishopston Comprehensive School is estimated to be £11,865,981 against the overall Band B programme envelope of £141.6m (excluding the potential aided sector project which is assumed to require no Council contribution). This would require a local contribution of £4.153m from the overall net funding requirement based on a 35% contribution.
- 5.3 The Welsh Government have approved in principle the overall Band B funding envelope subject to the specific approval of each individual project business case. As such there is no specific approved budget for any individual project. The funding mechanism and timescale for delivery is still to be confirmed with the Welsh Government and the delivery of all the projects is dependent on final approval of Band B funding and the specific additional Welsh Government capital grant.
- 5.4 Cost estimates are on a current-cost basis, with no allowance for construction inflationary pressures, where there is uncertainty regarding the timing of projects. However, optimism bias has been applied to each project in accordance with the lessons learned from delivery of Band A, and based on assessment of outstanding programme risks/unknowns.
- 5.5 The approval in principle of the Strategic Outline Programme for Band B does not commit the council to the indicative funding contributions set out above 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. On 27 February Welsh Government informed Swansea Council the Minister for Education had approved the Strategic Outline Case (SOC) / Outline Business Case (OBC) in respect of Bishopston School and we are now able to progress to Full Business Case (FBC) stage.
- 5.6 A Delegated Powers Report Financial Procedure Rule 7 (FPR7) Report was approved in February 2018, when £280,300 was initially committed to the capital programme in respect of pre-construction phase fees and surveys.

- 5.7 The pre-construction phase costs including the Stage One contractor appointment of £392,000, all internal fees including CBS and Education fees to undertake all the necessary surveys, obtain required reports and investigations and develop the initial design to obtain planning permission and building regulations approval to the completion of RIBA Stage 4 and the commencement of construction are £551,469.00. This requires an uplift of £271,169 to the pre-construction phase costs.
- 5.8 The total pre-construction phase costs of £551,469.00 are being committed at risk and if the final scheme is approved will be offset against the total project cost, and form part of the Council's 35% contribution.
- 5.9 Once the pre-construction stage has been completed, the contractor will tender the work packages and the Council will be provided with a fixed cost for the works. At that point a further Contract Award and FPR7 Report will be submitted to Cabinet to award Stage Two and commit the full project value (which is currently estimated to be £11.865,981m) to the capital programme.
- 5.10 The Financial Implications are set out in Appendix 1; these are shown for the whole project for completeness, although at this stage only the pre-construction phase costs totalling £551,469.00 are to be committed.

## **Revenue**

- 5.11 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.
- 5.12 The existing backlog maintenance £3,326,744 which will be a mix of both capital and revenue costs would be significantly reduced.
- 5.13 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.

## **6. Legal Implications**

- 6.1 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.
- 6.2 Any contractual liabilities/obligations with the successful tenderer will be covered by appropriate contract documentation to be prepared and approved by the Chief Legal Officer.

## 7. Equality and Engagement Implications

7.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

7.2 A full Equality Impact Assessment has been undertaken (Appendix 2), and it shows that this project will have a positive impact on;

7.3 *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

7.4 *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.

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

7.6 As part of this process we have 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.

7.7 The Band B 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.

7.8 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.

- 7.9 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.
- 7.10 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.
- 7.11 The scope of the project includes to improve accessibility, safeguarding and security, improve energy efficiency, reducing CO2 emissions and enhancing the learning environment.
- 7.12 The project will also be subject to community benefits targets which will include;
- STEM Engagement target of 100 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

### **Background Papers:**

Capital Budget and Programme 2018/19 – 2023/25

Quality in Education (QEd) – Emerging Proposals and Investment Priorities for the next band of the 21<sup>st</sup> 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

### **Appendices**

Appendix 1 Financial Implications

Appendix 2 Equality Impact Assessment