



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

Cabinet - 17 October 2019

Contract Award and Capital Programme Authorisation for New Build for YGG Tan-y-lan

Purpose:	<ul style="list-style-type: none">• To approve the scheme for the new build for YGG Tan-y-lan subject to confirmation of grant and contract with Welsh Government.• To seek authorisation to award the contract for the works to Tender No. 1, subject to confirmation of grant and contract with Welsh Government.• To approve the notification of a modification to the proposal to enlarge YGG Tan-y-lan to a revised implementation date in line with the proposed contractor appointment and updated project timeline.
Policy Framework:	<ul style="list-style-type: none">• QEd Programme and Strategic Outline Programme for Band B of the 21st Century Schools Programme• Asset Management Plan• Contract and Financial Procurement Rules• The Revenue Budget 2019/2020 and the Capital Budget 2018/2019 to 2023/25 approved by Council on 28 February 2019.
Consultation:	Access to Services, Finance, Legal, Building Services and Property Services, Parent/Carer/ Learner engagement sessions as part of Statutory Consultation Process 27 September 2018, Community Engagement sessions Dec 2018
Recommendation(s):	It is recommended that: 1) Cabinet award the contract for the remaining design and construction of a new build for YGG Tan-y-lan on land in the ownership of the Council at Beaconsview Road, Clase to Tender No. 1, subject to confirmation of grant and contract with Welsh Government.

2) Cabinet approve the notification of a modification to the proposal to enlarge YGG Tan-y-lan to a revised implementation date in line with the proposed contractor appointment and updated project timeline.

3) The capital scheme as detailed together with the financial implications is approved in line with FPR7, subject to confirmation of the grant and contract with Welsh Government.

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1. Introduction / Background

1.1 The Welsh Government (WG) 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, 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.

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 WG 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) / 21st 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 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

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 an enlarged and relocated school build for YGG Tan-y-lan, as the school struggles to appropriately house its growing population on a 0.6 acres site constrained site.

- 1.5 Approval was given under a Delegated Powers Report in March 2018, to commit £202,870 to the capital programme to fund the development of the above project and design fees and subsequently £72,705 in August 2018 when WG announced additional funding to create additional Welsh Medium places to support their 2050 aspirations. To date £232,641.38 has been spent on design, surveys and fees.
- 1.6 Following site appraisals it was agreed the most appropriate area to relocate YGG Tan-y-lan was on Housing land off Beaconsview Road, Clase. This land has been agreed as surplus for Housing use and appropriation to Education for the use for YGG Tan-y-lan approved by Cabinet on 20 December 2018.
- 1.7 A statutory consultation process was carried out in order to seek approval from the Minister to enlarge the school from 140 full time pupil places to 420. This was approved by Cabinet in March 2019, with an anticipated implementation date of January 2021. However, due to the extended period of design work and planning linked to the additional Welsh Medium capital grant, coupled with the extended construction phase (due to site topography) the date that the new school build is anticipated to be open to pupils is September 2021. This report is also seeking approval to notify consultees of a modification to the implementation date to enlarge YGG Tan-y-lan to a revised implementation date in line with the proposed contractor appointment and updated project timeline.

2. Description of the scheme

- 2.1 The scheme is to deliver a purpose built 2 form entry primary school on the proposed site, with a mini all-weather pitch and multi-use games area (MUGA).
- 2.2 The building has been designed to be flexible and to allow community access as appropriate.
- 2.3 The school was initially designed as a 1.5 form entry primary school, future proofed to 2 form entry. However, an additional Welsh-medium grant of **£1,018,548** has since been agreed by WG in December 2018, so it is now proposed that the school will be built at 2 form entry size from the outset.
- 2.4 A childcare setting has been designed into the footprint, to allow Welsh-medium numbers and interest to grow, whilst the school grows. This should facilitate Swansea's first full Welsh-medium day care facility.

2.5 The indicative project timeline is outlined below;

Milestone	Start Date	End Date
Approval of Outline Business Case	Dec 18	Dec 18
Welsh-medium grant approval	Dec 18	Dec 18
Planning Approval	May 19	May 19
Design Development RIBA Stage 3-4	Sept/Oct 19	Dec 19

Mobilisation and site set up	Jan 20	
Construction of new build period	Feb 20	July 21
Occupation	Sept 21	

3. Objectives of Project

- 3.1 The construction of a new build primary school for YGG Tan-y-lan, relocated to Beaconsview Road, Clase, is scoped and designed to;
- a) Provide sustainable, fit for purpose, 21st Century accommodation for the pupils of YGG Tan-y-lan.
 - b) Increase the number of Welsh-medium primary places available within the area (including Nursery)
 - c) Reduce backlog structural maintenance in education assets by £479,296
 - d) Remove condition category C- asset, therefore removing business continuity risks
 - e) Improve building efficiency maximising use of assets, improving operational efficiency and use of all relevant resources

4. Procurement

- 4.1 This project was procured through a single stage procurement process, using the South West Wales Regional Framework, via a mini competition during June and July 2019, inviting the remaining 5 contractors in the relevant LOT.
- 4.2 The tender was opened in accordance with the Council's Contract Procedural Rules on 5 August 2019
- 4.3 One tender was returned (all others declined to tender) and this was evaluated in line with Contract Procedure Rules. A tender evaluation panel was held on 14 August 2019.
- 4.4 The tender Evaluation Report of 12 September 2019 set out the tendering procedure.
- 4.5 Tender Value 1 – £7,746,257.14 (including bond)
- 4.6 The Tender Evaluation Panel has recommended Tenderer No.1 is approved for contract award in accordance with the Council's Contract Procedure Rules
- 4.7 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.
- 4.8 The overall project cost remains broadly consistent with the WG cost standard for schools, taking account of site abnormalities and therefore officers are satisfied that the tender provides value for money. This is illustrated in the table below, which based on the WG cost and size standard returns a total project cost of £10,083,749.37.

**Pupils 420 Full Time, (plus 30 Full Time Equivalent Nursery)
WG Size Standard 5.3M2 per pupil
Size comparison**

	WG Size standard m2	FBC areas
2FE plus Nursery	2385	2317
Sprinkler Tank	87	87
Total	2435	2367

Cost comparison

		WG cost standard	
£/m2	2775	£6,859,800	£6,671,100.00
ICT/pupil	555	£249,750	£249,750.00
FFE/pupil	1221	£549,450	£549,450.00
Total Cost Comparison		£7,659,000	£7,470,300.00

Difference **-£188,700.00**

Abnormal Costs

Highways	£425,000	client cost
HRA Land	£527,500	client cost
Temp accommodation	£35,000	client cost
Retaining walls	£343,350	in contract value
Uplift to 2G	£180,000	in contract value
Engineered fill	£318,400	in contract value
Mini piles	£93,210	in contract value
Additional prelims due to extended contract	£279,200	in contract value
additional overheads and profit	£31,025	in contract value

Total Abnormal Costs **£2,232,685** **£2,232,685.00**

Total Cost

Optimism Bias @ 4% of
actual cost £380,764.37

**Project Value inc OB +
Abnormals against WG
benchmarking** **£10,083,749.37**

5. Financial Implications

Capital

- 5.1 WG funding for Band B of the 21st 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 project within this report is funded from traditional capital streams. It was announced by WG 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 As above, approval was given under a Delegated Powers Report in March 2018, to commit £202,870 to the capital programme to fund the development of the above project and design fees and subsequently £72,705 in August 2018 when WG announced additional funding to create additional Welsh Medium places to support their 2050 aspirations. To date £232,641.38 has been spent on design, surveys and fees.
- 5.3 The total estimated cost of the new build for YGG Tan-y-lan is **£9,899,873.67**. Of that **£1,018,548** is to be 100% funded by WG against the Welsh-medium grant, with **£8,881,325.67** remaining cost against the overall Band B programme envelope. This would require a local contribution of £3,108,463.99 from the overall net funding requirement based on a 35% contribution for the Band B element of funding.
- 5.4 This represents an increase of £1,476,221.82, against the value indicated in the cost plan at Strategic Outline Case / Outline Business Case stage, which was £7,405,104 and uplifted to £8,423,651.85 with the agreement of the additional £1,018,548 WM grant, based on the WG cost standard. The change in the cost plan since that stage is partly accounted for as follows;

Abnormal costs	
Detail	Value £
Housing Revenue Account (HRA) land	527,500
Additional Traffic Measures	425,000
Retaining Walls	343,350
Uplift from pitch to 2G	180,000
Total	£1,475,850

- 5.5 The additional traffic measures relate to off-site Highway works that are a Planning requirement. WG has advised that it will not fund off-site Highway works through the programme, if this is the case then this element will be subject to a 100% Swansea Council contribution. However as part of the Full Business Case, the case will be made that these are directly related to the project, which cannot be delivered without them.

- 5.6 The increase in cost will be balanced against later capital projects in the Band B programme envelope and will not change the value of the overall programme envelope. This will be reviewed and revised as more projects are developed.
- 5.7 The final cost at Full Business Case stage having completed the Stage 2+ design and the single stage tender is £9,899,873.67, subject to WG approval of the Full Business Case. This is expected to be reviewed at WG Business Case Scrutiny Group 9 October and Programme Investment Panel on 23 October 2019.

	Cost breakdown	£
1	Construction	7,402,142.10
2	Surveys and external fees*	536,007.20
3	Loose Furniture inc. signage	80,084.00
4	Additional Traffic Measures	425,000.00
5	CBPS Fees (including Planning and Building Control)	260,876.00
6	Education Fees	80,000
7	Digital Learning and fees	107,500.00
8	Decant/security and temporary accommodation for existing site	100,000.00
9	HRA Land cost	527,500
	Total	9,519,109.30
11	Optimism bias @ 4%	380,764.37
	Total	£9,899,873.67

- 5.8 Appropriation of HRA land has been approved by Cabinet on 20 December 2018, however the value of £527,500 will be transferred to the Housing Revenue Account if the project receives Cabinet and WG approvals.
- 5.9 The Financial Implications are set out in Appendix 1

Revenue

- 5.10 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 will increase and this will result in an increase of budget share.
- 5.11 The existing backlog maintenance £479,296, which will be a mix of both capital and revenue costs, would be removed.
- 5.12 There will be an increase in business rates, energy costs and cleaning etc due to the increase in floor area, however the new buildings would be more energy efficient with the possibility of income from community use and the

childcare facility. All additional revenue costs will be met from existing budgets.

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.
- 6.3 The Council must be able to demonstrate the purpose for the appropriation and that it has taken all the relevant considerations into account and not taken any irrelevant considerations into account. The appropriate Head of Service has confirmed that the land is deemed to be 'surplus to requirements' in accordance with Part 4, paragraph 7 of the Land Transaction Procedure Rules
- 6.4 The Council must ensure that it complies with the terms and conditions of any offer of grant funding issued by Welsh Government.

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 (0-18) – YGG Tan-y-lan is a Welsh-medium primary school. This project will have a very positive impact on the Education of all the children who attend the school in the future. As we are looking to build the school on a new site this should avoid any disruption to those currently attending the school.
- 7.4 Disability – The design, delivery and implementation of this project will take 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 any new building, the re-modelling and the running of the school in the future will ensure that ALL the pupils and staff can make the most of their improved environment.

- 7.5 *Welsh* – YGG Tan-y-lan is a Welsh medium primary school and as a result this project will have a positive impact on the Welsh language. The project is part of the wider Welsh in Education Strategic Plan that is looking to increase the number of places available in Swansea’s Welsh-medium schools.
- 7.6 Poverty/social exclusion – There are high levels of deprivation in this area and providing the children and the community with this improved facility could give access to courses for adults and access to additional extra-curricular activities.
- 7.7 Community Cohesion – It is possible that the improved facilities will provide increased opportunities for the community to make the most of the school’s facilities.

8. Well Being of Future Generations

- 8.1 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.
- 8.2 The Band B / 21 Century Schools 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. The relocation and enlargement of YGG Tan-y-lan has also been party to a catchment review to ensure that there is a sufficient Welsh Medium School places in the right location.
- 8.3 All projects have a communication plan, which is reviewed regularly. This includes the engagement strategy; community engagement sessions have been held, along with sessions for staff, pupils and parents. Other local schools have also been key stakeholders.
- 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 all-weather pitch and MUGA will be available for hire by the public, and the childcare centre will be a valuable asset to the wider community.

- 8.6 The scope of the project includes a 21st century, fully accessible learning environment with safeguarding and security, increasing Welsh-medium places, improve energy efficiency, reducing CO2 emissions and reducing backlog maintenance
- 8.7 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 – 2023/24

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, and 28 June 2018.

School Organisation Linked to the Welsh Education Strategic Plan - Including Proposed Closure of YGG Felindre and Enhanced Size and Relocation of YGG Tan-Y-Lan and YGG Tirdeunaw - Cabinet – 20 December 2018

Appendices

Appendix 1 Financial Implications

Appendix 2 Equality Impact Assessment

FINANCIAL IMPLICATIONS : SUMMARY

Portfolio: EDUCATION

Service : PRIMARY /SECONDARY SCHOOL PROVISION

Scheme : Band B – YGG Tan-y-lan relocated new build 2FE

<u>1.1. CAPITAL COSTS</u>	2017/18 £'000	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL £'000
<u>Expenditure</u>							
Pre-construction fees and construction costs.	2	177	1,618	5,436	2,539	127	9,899
EXPENDITURE	2	177	1,618	5,436	2,539	127	9,899
<u>Financing</u>							
100% WG WM Grant				1,018			1,018
65% WG 21 Century schools grant			1,618	4,154			5,772
35% LA contribution	2	177		264	2,539	127	3,109
FINANCING	2	177	1,618	5,436	2,539	127	9,899

<u>1.2. REVENUE COSTS</u>	2017/18 £'000	2018/19	2019/20	2020/21	2021/22	2022/23	FULL YEAR £'000
<u>Service Controlled - Expenditure</u>							
Employees)							0
Maintenance)	N/A						0
Vehicle running costs)							0
							0
NET EXPENDITURE	0						0
<u>Financing</u>							
	N/A						
FINANCING	0						0