

## **Cabinet – 12 February 2020**

### **School Place Planning and Expansions – St Michael's CE Primary School**

**Portfolio:** Councillor Towe, Education & Skills

**Service:** Children's Services

**Wards:** Pelsall

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Aim**

- 1.1 To complete works at St Michael's CE Primary School, following initial approval by Cabinet in October 2017 and then following approval in March 2019, as part of the 2019 school expansion programme.

#### **2. Summary**

- 2.1 Approval to complete works at St Michael's is being sought due to significant changes in the total estimated costs of the project.
- 2.2 The report details reasons for the changes to total estimated costs and also mitigation actions in place to ensure accurate forecasting of costs and change controls are now in place.

#### **3. Recommendations**

- 3.1 That Cabinet approves the completion of the expansion of St Michael's CE Primary based on the revised total estimated costs.

#### **4. Report Detail**

- 4.1 The Council has a duty to ensure there are sufficient school places for resident children who want a school place. A local authority has a general duty, under section 14 of the Education Act 1996, to secure that there are available, in its area, sufficient school places 'in number, character and equipment to provide for all pupils the opportunity of appropriate education.'
- 4.2 Cabinet in, October 2017, approved the proposed expansion of St Michael's CE Primary School.
- 4.3 On 25<sup>th</sup> April 2018 further approval was sought, and granted, by Cabinet for an increase to the scope and cost of the specification to £0.908m. This was to

accommodate a two classroom extension, extend the hall, and provide a new toilet block.

- 4.4 Subsequent to initial approval of the expansion of St Michael's, there has been no reduction in demand for places at the school. The places are still needed in order to fulfil our statutory duty as outlined in paragraph 4.1 above.
- 4.5 Cabinet then further approved a modification to the programme timeframe for completion of September 2020 on 21<sup>st</sup> November 2018. This was required due to the failure of the contractor which made it impossible to achieve the original anticipated dates and a delay of one year was required.
- 4.6 Further cabinet approval is now being sought as the project costs have risen from £0.908m to £1.914m. The reasons for this increase are detailed below:
- Integrated Facilities Management (IFM) progressed the design with the design and build contractor via the SCAPE framework. This is a public sector run and controlled framework designed to achieve value for money and excellent performance and has been used successfully many times before. The contractor failed to perform in terms of provision of information and cost control, both of which could not be addressed after an exhaustive process with the framework managers, and, following legal advice, the Council terminated the contractor engagement.
  - IFM engaged with a new contractor via the Solihull Metropolitan Borough Council framework. This framework and contractor had been used successfully in the past and the projects were progressed.
  - Following engagement with this contractor, further revised costs have been provided. The total figures for the project is arrived at by combining the following:
    - a. Feasibility Costs
    - b. Outline design and planning application
    - c. Site investigation
    - d. Design Team Costs
    - e. Build Costs
    - f. Frameworks costs
    - g. Fixture fittings and equipment
    - h. ICT
    - i. Internal fees
    - j. 20% contingency

<b>Contractor</b>	
Sub Total contractor costs	£1,359,765
<b>Walsall MBC</b>	
Contingency @ 20%	£271,953
ICT, FF&E Planning/Building Control, Technical Team etc	£282,822
Total Build Cost	<u>£1,914,000</u>

- 4.7 The revised costs have been reviewed by external consultant quantity surveyors from Pick Everard who confirm these to be consistent with achievable open market costs and therefore represent value for money. Looked at against the DfE benchmark, this opinion is confirmed.
- 4.8 To ensure consistency of costings in the future, we have put in place further Governance procedures through the School Estate Strategy Group where all costs will be scrutinised and challenged before being recommended to the Capital Board and then members.

## **5. *Council Corporate Plan priorities***

- 5.1 The proposals to create pupil places to meet identified need and improved educational outcomes contained within this report primarily support the Council's corporate plan priority, that children have the best start in life and are safe from harm, happy, healthy and learning well.

## **6. *Risk management***

- 6.1 The provision of additional places will enable the Council to meet its statutory duty to ensure that there are sufficient primary school places in the borough. Should the project not proceed to conclusion then the Council will be unable to meet its statutory obligations.

## **7. *Financial implications***

- 7.1 On 25 April 2018, cabinet approved a total budget for the planned expansion at St Michael's CE Primary of £0.908m. This estimate was inclusive of all build, ICT, furniture and equipment costs plus internal fees relating to project management and a 20% contingency allowance.
- 7.2 Following the changes in the design specification, the total estimated cost for the expansion at St Michael's CE Primary School has risen significantly.
- 7.3 The total estimated cost for the expansion is now **£1.914m**, an increase of **£1.006m**. The additional budget needed to fund the increased costs will be funded from Basic Need Capital fund currently unallocated.
- 7.4 These costs both include a 20% contingency fund. This is included to ensure that if further unknown costs arise due to ground issues or other conditions preventing the continuation of the expansion occur, there is adequate amount of Basic Need funding available to pay for this. Should this not occur and costs do not exceed the current estimate, some Basic Need funding would remain uncommitted at the end of the project. This will then be carried forward into future years for further projects. Table 1 below shows these costs split out between total project cost and contingency.

	Project Cost £m	Contingency £m	Total Cost £m
Cost previously approved	0.766	0.142	0.908
Revised Estimated Cost	1.643	0.271	1.914

To note, the 20% contingency is based on build costs and additional works needed and therefore excludes internal fees, design fees and FFE & ICT costs.

- 7.5 The on-going increase in revenue funding for the school will be met from the Dedicated Schools Grant, whereby funding allocated to the Council to support mainstream schools increases or decreases in line with overall pupil numbers. Therefore, if there is growth in overall pupil numbers, this will attract more Dedicated Schools Grant funding which will then fund the additional places being created. This process will apply in a similar way to academies however increased funding will be paid to them direct from the Department for Education rather than the Council.
- 7.6 The Council has not previously met national benchmarks for school expansions therefore the Education and Skills Funding Agency (ESFA) is monitoring the Council to ensure value for money is provided by reducing costs per pupil place to be in line with the national average.
- 7.7 The National School Delivery Cost Benchmarking report (undertaken by local authorities in conjunction with the ESFA) gives a national average cost per pupil place for a primary rebuild / extension of £14,189. This is calculated using the total cost of the expansion, minus any costs relating to external or abnormal works and contingency allocations, divided by the number of additional pupil places created.
- 7.8 The new estimated cost per pupil place following the cost increase is **£18,228** prior to the removal of any abnormal or external works. Total costs relating to abnormals, contingency and external works is £0.484m. This reduces the cost per pupil place to **£13,619** which is within the advised national benchmark.

## **8. *Legal implications***

- 8.1 Should the expansion not be completed and the places not made available, the Council will not be in a position to fulfil its statutory duty as outlined in paragraph 2.1 above.

## **9. *Procurement Implications/Social Value***

- 9.1 The procurement was previously approved by Cabinet for schools expansions and the placing of orders delegated to the Executive Director of Children's Services. Each scheme is independently reviewed by Pick Everard quantity surveyors and a report produced regarding the costs and recommendation stating if each scheme represents value for money or not.

## **10. *Property implications***

- 10.1 There are no property implications.

## **11. *Health and wellbeing implications***

- 11.1 There has been no indication that the content of this report would have any adverse impact on the health and wellbeing of staff and pupils based at Walsall schools.

## **12. *Staffing Implications***

- 12.1 There will be no implications for staff at this time.

## **13. *Reducing Inequalities***

- 13.1 It is of importance to the achievement of the Council's strategic objectives that the young people of Walsall are able to access the right provision to meet their needs in order to achieve appropriate qualifications. Progressing to employment and/or training and make a positive contribution within the borough in the future.
- 13.2 this is a request to approve increased budget for an already approved scheme, and so a separate Equality Impact Assessment is not required.

## **14. *Consultation***

- 15.1 This is a decision for Cabinet to make based on the revised total cost estimates provided. There is no consultation.

## **15. *Decide***

- 15.1 Cabinet approves the completion of the expansion of St Michael's CE primary as part of the 2018 and 2019 programme of school expansions in recognition of the changed total estimated costs of the project. We are recommending approval because the costs have been reviewed independently and they are below the benchmark cost per pupil place detailed in this report.
- 15.2 There has been no change to the demand for school places since Cabinet approved the expansion from 1.5 forms of entry to 2 forms of entry. Should approval not be given the Council will be unable to meet its statutory obligation to provide school places.

## **16. *Respond***

- 16.1 Subject to Cabinet approval, the expansion of St Michael's CE primary will be completed. The priority will be to ensure classroom space is available for September 2020, with ancillary works completed by December 2020.

## **17. *Review***

- 17.1 Progress to completion of the project is overseen by the Children's Services governance groups. These are the School Estate Strategy Group, which reports to the Capital and Asset Programme Board.

## Background papers

None

## Authors

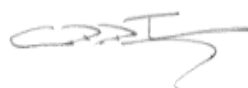
John Edwards  
Interim Head of Access  
Walsall Children's Services  
[John.Edwards@walsall.gov.uk](mailto:John.Edwards@walsall.gov.uk)

Ed Kennedy  
Commissioning and Programme Manager  
Integrated Facilities Management  
Resource and Transformation  
[edward.kennedy@walsall.gov.uk](mailto:edward.kennedy@walsall.gov.uk)



Sally Rowe  
Executive Director

4 February 2020



Councillor Towe  
Portfolio holder

4 February 2020