

Open Report on behalf of James Drury - Executive Director - Commercial

Report to:	Councillor R D Butroid, Executive Councillor for People Management, Legal and Corporate Property Councillor M J Hill OBE, Leader of the Council and Executive Councillor for Resources, Communications and Commissioning
Date:	Between 23 and 30 November 2021
Subject:	Stamford Welland Academy Basic Need Project
Decision Reference:	I025140
Key decision?	Yes

Summary:

Children's Services has identified that additional secondary age pupil places are required to meet increased demand in the Stamford area. Discussions have been held with the Regional Schools Commissioner and the Cambridge Meridian Academies Trust (CMAT) and it has been agreed that Stamford Welland Academy will look to increase its pupil numbers from a PAN of 120 to 150 (total increase in capacity of 150 places) in order to meet the need for places and meet Lincolnshire County Council's (LCC) legal obligations around pupil places.

It was agreed that, in order to achieve this increase, two new science labs and associated prep room would be required, together with the conversion of existing spaces within the school to provide new toilets as the school is currently under served.

This report provides a scheme appraisal and recommendation for the procurement of the expansion and remodelling to Stamford Welland Academy.

Recommendation(s):

That the Leader of the Council and Executive Councillor for Resources, Communications and Commissioning approves the scheme appraisal for the procurement of the expansion and remodelling of Stamford Welland Academy.

That the Executive Councillor for People Management, Legal Services and Corporate Property:-

- 1) approves the Council entering into a construction contract for works for the expansion and remodelling of Stamford Welland Academy; and
- 2) Delegates to the Executive Director – Commercial authority to determine the final form and approve the entering into of the final contract under 1) above.

Alternatives Considered:

- Do nothing - This option is not recommended as it will not meet the requirements of the Council to deliver sufficient school places for children in the County.
- Build at an alternative school – Welland Academy is not the only school in the Stamford area but it is best placed to take the increased pupil numbers, is successful and has had a bid for expansion accepted by the Regional Schools Commissioner.
- Procurement – The use of a framework contract has been considered but the new classroom block is considered to be a relatively low risk build which will not require early contractor involvement in the design process. Therefore, in order to try and achieve best value for the Council it is felt that a traditional single stage tender route should be used.

Reasons for Recommendation:

Approval is sought for the construction of the expansion and enhancement of Stamford Welland Academy because:

1. In order to deliver the required secondary school spaces by September 2022 it is necessary to complete the planning and tendering process urgently and then follow on immediately into construction early in the new year.
2. Appointment of a contractor through the use of a single stage tender provides best value for money given the risk profile and nature of the project.
3. The project delivers the objectives of the Basic Need Programme for the Stamford area of the County. Principally:
 - It will ensure there are sufficient secondary school places in the Stamford area.
 - It will reduce travel times for pupils as they will have access to a local school that will meet all needs.
 - The new areas will be designed to be fully accessible and offer flexibility to meet the changing needs of future cohorts.

1. Background

- 1.1. Stamford Welland Academy continues to grow in popularity and, if all local children elected to attend their nearest school, the Academy would not have sufficient capacity to cope with demand.
- 1.2. Historically however some local residents have expressed a higher preference for Casterton College in neighbouring Rutland, which has the capacity to provide some school places for Stamford. This has meant that Welland has had some excess capacity.
- 1.3. Recently, the Regional Schools Commissioner (RSC) approved the expansion of Stamford Welland Academy but did not support the proposed expansion of Casterton College.
- 1.4. The expansion of Stamford Welland is therefore critical to the place planning strategy for the wider Stamford area, to ensure the Council meets its statutory duty to provide sufficient local school places.
- 1.5. With growing pupil numbers in Stamford, coupled with Welland Academy's growing reputation and popularity, an expansion in capacity is urgently needed.
- 1.6. In addition, there is significant housing development planned over the next few years in and around Stamford. This will further add to the pressure on Stamford Welland and this project is the first step in addressing this.
- 1.7. The project will provide an extra 30 places per year group (PAN increase from 120 to 150), to ensure local demand for places can be met across Stamford and the wider area.

2. Procurement

- 2.1. It is proposed that the construction of the scheme will be procured in accordance with the Council's finance and procurement regulations.
- 2.2. The contractor would be selected using a traditional single-stage tender approach. This proposal was arrived at in collaboration with Vinci/Kier based on the perceived level of risk involved in the project. This approach offer the following benefits:
 - Market value costs guaranteeing lowest competitive pricing.

3. Scope of Works

- 3.1. Stamford Welland Academy expansion is aligned to the Basic Need provision of pupil places in Lincolnshire. It is proposed to be expanded from a PAN of 120 to 150 pupils. The additional capacity will be achieved by building a new block and

remodelling of some existing spaces. On completion the school will have sufficient capacity and the enhanced resources and facilities required to meet all the requirements of a secondary academy.

- 3.2. The project will deliver a new single storey block which extends to 302m². This block will provide two new general use science labs as well as a new, larger prep room and chemical store for both the new and existing science labs.
- 3.3. Within the existing building, to which the new block is attached, the existing prep room will be removed to make room for an access corridor and new pupil toilets will be created, together with an accessible toilet.
- 3.4. The construction of the new block is intended to be steel frame with brick cladding under a traditional tiled roof. This is to match in with the existing style of the adjacent block and other areas of the school.
- 3.5. Given the possibility of further expansion to Stamford Welland within the next few years, the new block is being designed and sited in such a way that it will aid this and not cause issues for subsequent builds.
- 3.6. The total project budget allowance is £1.2 million. This will be funded from the Basic Need Allocation.

4. Project Budget

- 4.1 The project budget allocated for the new block is £1.2 million, the breakdown of cost from feasibility is as follows:

Construction Budget	
Item	Cost
Building Works Estimate	£737,593
Design Risk	£36,880
Construction Risk	£36,880
Construction Inflation Estimate	£17,368
Tender Inflation Estimate	£2,481
Subtotal Construction Budget	£831,202
Kier Technical & Other Fees	£124,680
Project Estimate	£955,882
Total Project Estimate inc inflation and fees plus 10%	£1,051,479

5. Value for money

- 5.1. Using technical expertise via the partnership with Kier ensures that all costs are consistent with industry averages. Corporate Property refers to the Building Cost Information Service (BCIS). The BCIS is part of the Royal Institution of Chartered Surveyors and is a provider of cost and price information for the UK construction industry.
- 5.2. The project at Stamford is a mixture of new build and remodelling of the existing property. For comparison purposes the new build and remodelling elements have been compared to BCIS independently (see below). This is the only way that a scheme like this can be benchmarked.
- 5.3. BCIS will not take into account abnormal costs because these cannot be forecast or reasonably assumed by a national database. Abnormal costs are site specific and tend to be unique to each project.

For clarity, an abnormal is defined by the Royal Institute of Chartered Surveyors (RICS) as:

'...costs other than those typically encountered for the project funding route, including costs accruing due to circumstances outside the project manager's control. Examples of abnormal costs include those arising from issues such as: access constraints, legacy data issues, unforeseen events due to the nature of the assessment of works, statutory bodies and listed buildings.'

- 5.4. The construction budget for Stamford Welland Academy is £831,202. This represents a cost of £2,752 per m² for the project. See the table below:

BCIS Comparison - New Build		
	Stamford Welland Academy	BCIS Information
Construction Budget	£831,202	
New Build & Refurb Area	302m ²	
Cost per m ²	£2,752 / m ²	£4,444 / m ²

- 5.5. The BCIS data shows that the new build part of the project is £1,692 per m² lower than the BCIS comparison for new build and falls within the normal range for this type of build.
- 5.6. It should be noted however that the cost estimates currently include both the new build and refurbished elements within the overall figure. Refurbishment costs are

generally much lower than new build and BCIS average for this type of work is £2,374 /m².

6. Design approval process:

- 6.1. In keeping with previous school expansion schemes, a series of meetings were held with representatives from the school and CMAT to agree the baseline schedule of accommodation. The final schedule of accommodation is based on the Department for Education (DfE) guidance, Building Bulletin 103, which outlines the accommodation needed in a secondary school.
- 6.2. Representatives from Corporate Property met with the Head of Establishment and Executive Head to discuss overall design principles and to identify what types of spaces were essential. The Head of Department and Estates Manager were also consulted throughout the process. This ensured that both building managers and the education leaders involved were able to provide specialist knowledge on accommodation requirements and the specific issues on the site.
- 6.3. Members of the Project and Design Teams were fully aware of the need to ensure that best value for money was achieved and of the likely financial pressures to the scheme. Regard to value for money was given at all stages of the design process and the layout was changed several times to achieve the best compromise between educational outcomes and the affordability of the build project.

7. Cost Control

Given the level of uncertainty within the construction industry, Corporate Property, alongside Kier Project Managers and Quantity Surveyors, actively manages all contractors delivering the capital programme and has sought opportunities to reduce costs in the design process, whilst meeting all of the essential requirements of the Basic Need programme. Various measures have been undertaken:

- 7.1. The Schedule of Accommodation (a document which describes how much and what type of space is needed) has been developed to deliver only the spaces required under DfE Building Bulletin guidance. By taking this approach the Council is only meeting the minimum requirements for delivering suitable educational space in Lincolnshire.
- 7.2. All of the decisions above have been taken in partnership and with support from Children's Services, Head Teacher and the Academy Trust involved in the project.

By only building what is needed and consistently challenging costs, Corporate Property can provide assurance that the capital build will meet all needs in an appropriate and cost effective manner.

8. Impact of Covid-19 and Brexit

There are significant cost pressures within the construction industry arising from a shortage of labour and materials within the supply chain. Corporate Property is typically seeing cost inflation in the order of 7.5% - 10% above expected levels.

This is a local, regional, national and global issue which impacts on all capital projects. The reasons for the supply chain shortage are multi-faceted and often interdependent:

- 8.1. Global supply chains have been severely disrupted by Covid-19. For example, factory shut-downs and industry running at reduced capacity has created supply problems for materials from semi-conductors through to timber.
- 8.2. Brexit is disrupting the smooth inflow of goods into the UK; this is because additional checks at ports have created a backlog in clearing containers. This is also compounded by the HGV driver shortage meaning that shipping containers are taking much longer to be distributed from ports, contributing to longer lead-in times.
- 8.3. There is a global shortage of shipping containers, leading to astonishing inflationary pressures on the cost of shipping freight. The price for a 40ft container from China to Europe has risen by nearly 500%, as of April 2021.
- 8.4. There has been a significant upsurge in demand as the UK economy emerges from lockdown; this is also replicated in the United States of America which is competing for the same source materials as the UK. The United States recently committed to legislation which allocates \$1.2 trillion for infrastructure projects.
- 8.5. There is a shortage of labour within the construction industry as a result of migrant workers returning to their home country and from high profile, high spend construction activity like HS2; this has driven up costs through increased wage demand.
- 8.6. Social distancing has pushed up costs due to increased cleaning and more welfare facilities required on site and Covid-19 is still leading to supply chain disruption due to positive tests and self-isolation.
- 8.7. The lack of qualified HGV drivers, due to the UK skills gap, ageing workforce, etc., is impacting on the timely delivery of materials to merchants and to construction sites, leading to potential delays for project completion.
- 8.8. There is an overall risk budget in this project of £73,940.60 to cater for unforeseen design and construction risks.

9. Legal Issues:

Academies Act 2010

A 'Significant Expansion' is defined in the Academies Act 2010 ("AA 2010") as an enlargement that increases the overall physical capacity of an academy (as recorded in its funding agreement) so that it can increase its overall teaching space enabling the school to provide places for more than 30 additional pupils.

The proposal is to expand capacity at the Stamford Welland Academy by increasing the PAN from 120 to 150 (total increase in capacity of 150), and to carry out the construction and remodelling works for which this Report seeks approval to create the increased teaching space required.

RSC approval is required before a Significant Expansion can take place, and the application for such approval must be made by the Academy Trust.

The Academy Trust has confirmed that RSC approval for the significant change which is the subject of this Report was granted in July 2020.

Additionally, where the significant change impacts on school land, for example an academy trust wants to build on playing field land, it is likely to necessitate a separate consent of the Secretary of State (SoS) via a land transaction application. Approval of a significant change application does not provide or imply SoS's approval for any land transaction required to deliver the approved project. The land transaction will require a separate application by the Academy Trust to the SoS for consent.

Communications are ongoing between the Council and the Academy Trust to verify whether a land transaction approval is required from the SoS.

The Council must wait to receive verification that the Academy Trust has obtained any necessary consent from the SoS before the proposed expansion of capacity can be implemented.

These issues will be addressed prior to the decision to award a contract under the delegated authority granted by numbered recommendation 2.

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

An Equality Impact Analysis has not been completed but the proposed works are considered to have a neutral impact on those that have a protected characteristic and those that do not in that the works will meet appropriate standards for accessibility and improve the learning and working environment of all pupils and staff attending the buildings.

The design of the new block and refurbished areas will help students with disabilities fully engage in education and feel more included within the life of the school.

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health and Wellbeing Strategy (JHWS) in coming to a decision.

The Joint Health and Wellbeing Strategy prioritises the needs of children and young people with Special Educational Needs and/or Disabilities (SEND) through the objective:

- Ensure appropriate support services are in place for pupils with a special educational need and/or a disability.

Whilst the Stamford Welland project does not directly address this objective, the design of the new block and refurbished areas will help students with disabilities fully engage in education and feel more included within the life of the school.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The section 17 matters have been taken into account but there are not considered to be any implications for the section 17 matters arising out of the decision.

10. Conclusion

Lincolnshire County Council has identified a need to increase capacity of secondary school places in Stamford and to provide suitable education for all students. The proposed expansion and remodelling of Stamford Welland Academy will deliver this requirement and the award of the construction contract will enable this to proceed.

11. Legal Comments:

The proposed works are designed to fulfil the Council's statutory duty to provide sufficient school places for its area.

The Council has the power to enter into the contract proposed and the proposed procurement route is compliant with the Council's legal obligations.

The decisions are consistent with the Policy Framework and within the remits of the Executive Councillors.

12. Resource Comments:

The recommendations to approve the scheme appraisal for the basic needs works for the expansion and remodelling of Stamford Welland Academy and to approve the entering into a construction contract will enable the Council to fulfil their statutory duty in providing sufficient secondary school places in the area, to meet future demands from September 2022.

The total project cost for the scheme is £1.051m. This will be funded through government Basic Need grant funding.

The report outlines value for money comparisons to BCIS. The scheme is below the mean BCIS cost per m² for the new build construction, and this is also the case for the remodelling works. The scheme will go through a competitive tender process to secure best price at this time, however unfavourable market conditions and economic uncertainty do continue to exist.

13. Consultation

a) Has Local Member Been Consulted?

Yes

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The decision will be considered by the Children and Young People Scrutiny Committee at its meeting on 19 November 2021 and the comments of the Committee will be provided to the Executive Councillors.

d) Risks and Impact Analysis

See the body of the Report.

14. Appendices

These are listed below and attached at the back of the report	
Appendix A	Proposed Ground Floor Plan
Appendix B	Proposed Elevations

15. Background Papers

No Background Papers within the meaning of section 100D of the Local Government Act 1972 were used in the preparation of this Report.

This report was written by Matthew Stapleton, Senior Project Manager - Corporate Property, who can be contacted on 07766 384257 or matthew.stapleton@lincolnshire.gov.uk.

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