

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: DIRECTOR OF CHILDREN'S SERVICES
WITH ADVICE FROM: S151 OFFICER AND HEAD OF STRATEGIC
PROCUREMENT
DIRECTORATE: CHILDREN'S SERVICES**



DECISION NO: CY20 (2021/22 SCHEME)

SUBJECT: ENABLING WORKS FOR BAYTREE SPECIAL SCHOOL AND CONTRACT APPROVAL TO INCREASE THE CAPITAL PROGRAMME BUDGET FOR THIS PROJECT, AS A RESULT OF INFLATIONARY PRESSURE AND ADDITIONAL LAND PURCHASE/ LEGAL COSTS

KEY DECISION: YES

REASON: THIS WILL NOT INCUR EXPENDITURE OR COSTS EXCEEDING £500,000 BUT THE SCHOOL SERVES PUPILS FROM MORE THAN ONE WARD

BACKGROUND:

Demographic growth and medical advancements are helping more children to survive. This has led to a significant deficit of local places with more children needing to access education in costly out of the district establishments. Local schools are full, and demand continues to rise. The specific rise in the need for places for pupils with the most profound learning and physical disabilities could be met by the expansion of Baytree Special School onto a 2nd site in Clevedon.

Based upon pupil projections and delivery delays this school expansion is now urgently required for the Academic year 2022/23. Failure to have school places available would pose a significant risk and financial pressure on the council and the Schools' High Needs Block funding as well as strain upon the families of children who would attend the school. Therefore, the council needs to be able to mobilise swiftly, upon receipt of the Planning permission, to start the delivery of the expansion scheme .

Many of the pupils who will attend the school have significant concerns when making changes, and this would include a transition to a new school site. Having the site available as soon as possible will aid the transition of these pupils who would be able to attend the new school site, following a period of managed change during the school year (2022/23), thereby releasing places on the existing campus to new pupils for the start of the following school year (2023/23) as well as securing addition places in Clevedon.

Planning permission was approved by North Somerset's Planning & Regulatory

Committee for application 20/P/0605/R3 on 16 September 2020, subject to a satisfactory outcome to a referral of the application to the Secretary of State (SoS) due to the site's location in the greenbelt and flood zone 3a, and the receipt and approval of further air and noise assessments. The SoS determined to allow the local planning department to make the determination and objections from the Environment Agency to flood risk concerns have been withdrawn. A 3-month extra survey period has just ended. Any material changes in these conditions would need to be costed in addition to the stage 4 cost plan as would the inflationary increases of a later start date. Subject to these approvals, permission is requested to approve the budget for the scheme and award a contract to Wilmott Dixon Construction Ltd to enable the project to proceed as soon as statutory approvals allow.

Due to the time taken to receive planning approval the project start date has moved from March 2021 to September 2021. This determination is still subject to full planning approval being granted. Therefore, as indicated in the February 2021 full council report, inflationary pressures have now been fully costed by the contractor. Furthermore, an enabling order is required to ensure that there is no delay in construction and Wilmott Dixon Construction Ltd can procure the necessary supply chain to enable them to meet their proposed construction commencement date, currently planned for September 2021, subject to planning approval being granted.

DECISION:

- To approve the increase of the contract award sum to Wilmott Dixon Construction Ltd whose registered office is at; Spirella 2 Icknield Way, Letchworth Garden City, Hertfordshire, SG6 4GY from £14,119,582.00 to £14,474,574.00. The £354,992.00 increase is due to delays to the start on site that have impacted on the pricing levels of the market return
- To approve the increase to the overall project budget to £15.095m resulting from an uplift in budget as a result of increased construction costs, purchase of land at Brookfield Walk and additional legal fees, funded as detailed below - please refer to the cost plan in the Appendices.

REASONS:

Local authorities have a statutory duty to provide sufficient schools for pupils receiving primary and secondary education up to the age of 19. They must also secure sufficient education and training provision for young people with an Education, Health and Care (EHC) plan, up to the age of 25.

The need for new S&PLD places is now acute with demand already exceeding supply. The current Baytree Special School may need to restrict the numbers of non-ambulant pupils it educates as significant numbers cannot be educated on the upper floor due to health and safety access and egress restrictions.

An enabling works order must be progressed with urgency to allow, subject to final planning approval, the new building to be in place and available to the school during the 2022/23 academic year and new places to be offered for September 2023 onwards in line with the necessary statutory processes. This will also help to avoid further significant costs to the council and disruption to the families of the children who would attend the new site.

To meet the above timeframe, as planned project start date of September 2021, subject to final planning approval, is required. A full detailed programme was appended to the 23rd February Full council report.

The Construction industry is currently experiencing challenging times resulting from the economic effects of both Brexit and Covid-19. This has resulted in a volatile market with the supply chain becoming increasingly restrictive and selective. Contractors are experiencing pressures from the uncertainty regarding the inconsistent supply of products and the availability of their supply chain and labour. The economic effects of a delayed start to the project are difficult to determine due to the market volatility and were estimated in the February 2021 full council report. The Royal Institute of Chartered Surveyors (R.I.C.S.) publishes Tender Price Indices which project the likely effect of market conditions on construction costs. The indices issued by the R.I.C.S. as of January 2021 indicate a likely 2.45% rise in tender prices if the start date is delayed to September - December 2021. These indices are based on the UK national construction market, and are not project specific, and do not consider any impact of the existing volatility on Willmott Dixon's supply chain partners/ materials/ staff costs. This indicated a figure of £333,200. The contractor has now fully costed out the actual cost pressure increases in their supply chain, which is £354,992.00. This has been reviewed both internally and externally verified as fair and reasonable costs by our cost consultants, supported by the cost estimating in February 2021 over 4 months ago.

The delivery of this work is procured within the SCAPE National and Minor Works Framework Agreement, which is for public sector use, and within which Willmott Dixon Construction Ltd is a respective appointed contractor. Use of this framework makes the procurement of projects such as this more efficient than a traditional procurement route and removes the need to advertise projects via OJEU as the framework has already met this criterion.

By using this framework, the Council will be in a good position to deliver within programme and set expenditure parameters.

OPTIONS CONSIDERED:

Not placing an enabling works contract until full planning has been approved would delay the planned project start date of September 2021 until January 2022. This would in turn delay the planned completion date, resulting in a further delay to the school of using its 2nd site and the risk that places for new pupils from September 2023 onwards will also be further delayed. Once open, it will also be possible for new pupils to transfer to the school mid-school year if this is the wish of their parents. A further delay would also increase project costs further due to inflationary and wider market pressures.

Given the project end date has been extended the council are reflecting this revised end date in accordance with the contractual appointment between the parties.

In relation to the cost increases, value engineering has been reviewed but is not an option as the scheme has already undergone significant value engineering and further reductions are not possible, as the end facility would not meet the specialist needs of this specialist school.

FINANCIAL IMPLICATIONS:

The value of the enabling works order is within the currently approved project budget of £14.63m, as approved by full council in February 2021. Should planning not be approved by the proposed start date of September 2021 or refused resulting in further delay; then there may well be abortive costs within the £315,508 . These cost are difficult to quantify at the present moment in time due to the uncertainties of the market conditions previously identified.

Costs

The cost plan for the project is detailed within the Appendices. The following table details the initial cost plan build up approved at the 23rd February 2021 Full council meeting and the anticipated revised cost plan build up which aligns with the revised budget of £15.095m

COSTS	EXISTING ESTIMATES	REVISED COST ESTIMATE	CHANGE
Building Works	£ 9,508,000	£ 9,811,000	£ 303,000
Preliminaries and Overheads	£ 1,805,000	£ 1,805,000	£ -
Fees and other costs	£ 1,134,000	£ 1,157,000	£ 23,000
Risks	£ 526,000	£ 535,000	£ 9,000
Inflation	£ 181,000	£ 188,000	£ 7,000
Contractors NF Fee	£ 436,000	£ 449,000	£ 13,000
Client/ Customer Provisional	£ -	£ 530,000	£ 530,000
Client Direct Costs	£ 1,040,000	£ 620,000	-£ 420,000
	£14,630,000	£15,095,000	£ 465,000

Funding

On the 23rd February 2021, Full council approved the budget for the delivery of Baytree SEN school of £14.63m. Please refer to summary below:

Cost Summary

Facilitating, Building & External Works	£9.508m
Preliminaries, Overheads & Profit	£1.805m
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Building Works Estimate	£11.313m
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Fees & Other Costs	£1.134m
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Risks	£0.526m
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Inflation	£0.181m
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Contractor's NCF Fee	£0.436m
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WDC Total of Prices	£13.590m
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Client Direct Costs	£1.040m
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WDC Total of Prices	£14.630m
Total £/m2 of GIA	£4,316

As detailed previously the revised budget for the delivery of Baytree SEN School is £15.095m Please refer to summary overleaf.:

Cost Summary

Facilitating, Building & External Works	£9.811m
Preliminaries, Overheads & Profit	£1.805m
Building Works Estimate	£11.616m
Fees & Other Costs	£1.157m
Risks	£0.535m
Inflation	£0.188m
Contractor's NCF Fee	£0.449m
Client/Customer Provisional Sums	£0.530m
WDC Total of Prices	£14.475m
Client Direct Costs	£0.620m
WDC Total of Prices	£15.095m
Total £/m² of GIA	£4,453

The Council has a strategic duty to secure sufficient Special Educational Needs and Disability (SEND) places for its residents.

Whilst no funding allocation was made for the potential inflationary pressure increase it was risk profiled as part of the capital programme, within the MTFP.

The proposed current and revised funding for the project is detailed overleaf:

FUNDING	CURRENT FUNDING	REVISED FUNDING	CHANGE
Basic Need Grant	£13,283,416	£13,248,416	-£ 35,000
Special Provisions Grant	£ 804,685	£ 804,685	£ -
S106 - Weston Airfield XCE249	£ 500,000	£ 1,000,000	£ 500,000
S106 - XCE309 Linden Rd Methodist Church	£ 23,178	£ 23,178	£ -
S106 - XCE305 Church Road Winford	£ 18,721	£ 18,721	£ -
	£14,630,000	£15,095,000	£ 465,000

LEGAL POWERS AND IMPLICATIONS

The appointment for cost management services is through an established Framework Agreement: SCAPE.

The use of the SCAPE National Frameworks is fully EU compliant and enables an efficient route to market.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

The planning application will satisfy the Planning Authority's requirement in relation to climate change and environmental needs.

CONSULTATION

The Council approved its Education Provision in North Somerset ~ A Commissioning Strategy 2018 – 2021 in September 2018. The Education Provision in North Somerset ~ A Commissioning Strategy for 2021 – 2024, that also includes this scheme, was approved by the Executive on 23 June 2021. Support for providing local school places for all pupils is central to the principles set out in the agreed plans.

All relevant consultations have been undertaken as part of the planning process, which includes both formal and informal updates to the local Community and Town Council by Council Officers and Willmott Dixon Construction Ltd if and when relevant.

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RISK MANAGEMENT

- Onsite surveys have been undertaken to identify constraints and any issues identified have been addressed through the design process and appropriate mitigations.

- Through direct communications with local residents, either via public meetings, questions raised at committee meetings or Freedom of Information Requests, Council Officers have worked with local residents to understand their concerns and, where possible, to find solutions.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment?

Not for this approval.

CORPORATE IMPLICATIONS

The current (2018 to 2021) and the new Education Provision in North Somerset ~ A Commissioning Strategy (2021 – 2024) are the Children’s Services policy base for mainstream schools and SEND strategic place decisions. The Council has a duty to ensure that the best possible long-term educational outcomes can be achieved for children and young people and that local resources are used effectively across the whole of the Council’s area.

Through delivery the strategy will contribute to the Council’s aims of:

- A thriving and sustainable place – having good local schools makes living in North Somerset an attractive place to live for those families who are seeking local school places (mainstream and SEND). Having a local school will also contribute to the Council’s aims to be carbon neutral by 2030
- A council which empowers and cares about people – working in partnership with our school partners we can support all children to achieve their full potential
- An open and enabling organisation – securing new fit for purpose school buildings and working with our partners we can manage our resources and work with these partners to deliver the best outcome for local residents

APPENDICES

Cost Plan dated 16/06/2021

BACKGROUND PAPERS

- Education Provision in North Somerset ~ A Commissioning Strategy 2018 – 2021 – see <http://www.n-somerset.gov.uk/wp-content/uploads/2015/11/educationcommissioning-strategy.pdf>
- Executive – 5 February 2019 - <http://apps.nsomerset.gov.uk/cairo/docs/doc29420.pdf>
- Council – 19 February 2019 - <http://apps.n-somerset.gov.uk/cairo/docs/doc29460.pdf>
- [Decision CSD58](#)
- [Decision CS63](#)
- [Decision PC14](#)
- Budget approval and award of contract to progress the creation of a new school site to support the expansion of Baytree Special School in Clevedon [Full Council 21st February 2021](#)
- [Education Provision in North Somerset ~ A Commissioning Strategy 2021 – 2024 - https://n-somerset.moderngov.co.uk/ieListDocuments.aspx?CIId=152&MIId=674&Ver=4](https://n-somerset.moderngov.co.uk/ieListDocuments.aspx?CIId=152&MIId=674&Ver=4)

SIGNATORIES:

DECISION MAKER(S):



Signed:

Title: Director of Children's Services

Date: 18.8.21

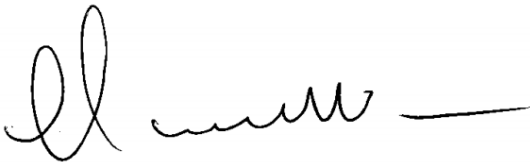
WITH ADVICE FROM:



Signed:

Title: S151 Officer

Date: 18.8.21



Signed:

Title: Head of Strategic Procurement

Date: 18.8.21

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:

