

Report Title:	<b>Capital Programme Update – Schools</b>
Contains Confidential or Exempt Information?	No, except Appendix A - <b>Part II – Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.</b>
Member reporting:	Cllr Natasha Airey, Lead Member for Children’s Services.
Meeting and Date:	Cabinet - 27 July 2017
Responsible Officer(s):	Kevin McDaniel, Director of Children’s Services.
Wards affected:	All

## REPORT SUMMARY

1. In July 2016, Cabinet approved a growth in the capital budget for secondary school places to £29,600,000 for expansions at six schools including programme design and risk contingency of £3,700,000. This programme was designed to meet the demand arising from the population growth currently passing through the primary school system.
2. This report sets out the detail of the tender returns for two of the schemes, at Charters academy and Cox Green academy and seeks Cabinet approval to accept the tenders.
3. Further, the report seeks approval to accept the tender for a section 106 funded scheme which will provide a total of 30 new places (6 per year) at Newlands Girls academy.
4. A report will come to September cabinet which outlines the planning approach for the next round of school expansions required to support the housing developments outlined in the Borough Local Plan.
5. Following full Council on 27 June, the decision to not provide additional funding for the expansion of Lowbrook Academy has resulted in a release of committed capital and the report seeks approval to redirect some of that funding to cover a shortfall in the budget for school maintenance schemes to be carried out this year following confirmation that the capital grant is circa £294,000 less than expected.

## 1. DETAILS OF RECOMMENDATIONS

**RECOMMENDATION:** That Cabinet notes the report and approves the recommendations:

**i) To accept three tenders:**

- a. **From Dawnus Construction for Charters academy in the sum of £3,343,199.**
- b. **From Dawnus Construction for Cox Green academy in the sum of £3,681,388.**

c. **From Contract Trading Services for Newlands Girls' academy in the sum of £769,890.**

ii) **To confirm the reassignment of £290,000 allocated to the Lowbrook expansion to maintain the maintenance programme for schools, as set out in Table 7.**

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The Borough has previously committed to invest £29.6m to provide 1,380<sup>1</sup> more secondary school places across the borough through the expansion of six academy schools: Windsor Girls, The Windsor Boys School, Dedworth Middle, Charters, Furze Platt Senior and Cox Green. Section 4 sets out the details of that expansion and the current costs relating to each scheme.

### **Charters Academy**

2.2 The scheme at Charters is part of the secondary expansion programme to provide 30 more places each year, 210 in total. The scheme comprises a new block of 11 general classrooms and two science labs, and a dining room extension.

2.3 Tenders have been analysed by the technical team, and errors and omissions corrected. Revised tender sums have been agreed with contractors and the lowest figure is recommended.

**Table 1: Tender recommendation for Charters**

<b>Company</b>	<b>Tenders received</b>	<b>Final agreed tender figure</b>
<b>Dawnus Construction</b>	<b>£3,161,642</b>	<b>£3,343,199</b>

2.4 The total project cost, including fees, surveys and a contingency, totals £4,510,000 which represents £21,476 per place. The budget approved for Charters School in July 2016 was £4,300,000 plus a portion of the Risk and Contingency budget for developing all the schemes in the programme. This scheme is therefore within budget.

**Table 2: Options for Charters Academy**

<b>Option</b>	<b>Comments</b>
Accept the tender from Dawnus Construction . <b>Recommended.</b>	This would enable the whole scheme to proceed.
Re-tender, hoping for even lower costs.	This would be a considerable risk, with little likelihood of success. It would put the programme back to an unacceptable timescale for admitting the additional pupils.

### **Cox Green Academy**

2.5 The scheme at Cox Green is part of the secondary expansion programme to provide 30 more places each year, 210 in total. The scheme comprises a new block of nine general classrooms and a re-provided kitchen/dining room, with a number of remodelled classrooms, two of which are science labs.

<sup>1</sup> For clarity, this calculation is based on any sixth form year groups counting as full year groups.

- 2.6 Tenders have been analysed by the technical team, and errors and omissions corrected and revised tender sums have been agreed with contractors. During this process however, one company have refused to agree to the terms and conditions of the contract, so it would be imprudent to proceed with them. The next lowest tenderer is Dawnus Construction, an increase in cost of £15,847. This is considered to be a small enough difference to outweigh the lack of contract acceptance by the other company.
- 2.7 Dawnus Construction have been asked to confirm that they could manage both Cox Green and Charters schemes, if awarded both. They have confirmed that they can as other large contracts they have been involved in are at an end, and they are ready to take on new ones.

**Table 3: Tender information for Cox Green**

Company	Tenders received	Final agreed tender figure
Dawnus Construction	£3,336,465	£3,681,388

- 2.8 The total project cost, including fees, surveys including contingencies, totals £5,800,000, which represents £27,619 per place.
- 2.9 The budget approved for Cox Green in July 2016 was £4,700,000, plus a portion of the Risk and Contingency budget for developing all the schemes in the programme. This scheme is therefore within budget and recommended for approval.

**Table 4: Options for Cox Green Academy**

Option	Comments
Accept the tender from Dawnus Construction. <b>Recommended.</b>	This would enable the whole scheme to proceed.
Re-tender, hoping for even lower costs.	This would be a considerable risk, with little likelihood of success. It would put the programme back to an unacceptable period.

### **Newlands Girls' Academy**

- 2.10 This scheme is in the capital programme, approved by Council on 21 February 2017, based on the access to £776,000 of S106 monies that have been collected (specifically for use at Newlands Girls' School) in recent years. This resource can only be spent on projects that increase the capacity of Newlands Girls' School to admit more pupils.
- 2.11 The school has many modular buildings on site and a very small playing field, so a scheme was developed that fills in two spaces within the existing main building. The scheme creates three extra teaching spaces – two in a double storey linking space, and one in a large courtyard. This is a good way of gaining extra space without demolishing and re-building other classrooms. The school will be able to add 30 pupils in total, six in each year group as a result of this project.
- 2.12 Tenders were received from six companies – all were above the estimated budget. Following scrutiny of the three lowest tenders all three submitted revised tenders. The feasibility estimate in January 2016 was £621,213, and the fully designed estimate in March 2017 was £800,000. As the tender prices are between these figures we consider them to be reasonable.

- 2.13 Contractors were all made aware that the scoring of tenders would be 60:40 for price and quality. On this basis, Contract Trading Services are the recommended supplier with a contract sum of £769,890

**Table 5: Tender information for Newlands**

Company	Tenders received	Corrected tender figure	Tender submission rating score
<b>Contract Trading Services (CTS)</b>	<b>£738,390.00</b>	<b>£769,890</b>	<b>76.01</b>

- 2.14 The total project scheme based on this contract figure, including fees and contingency is estimated at £906,000 which represents £30,200 per place. There is £776,000 S106 available, so the potential shortfall is £130,000. It is proposed to earmark this amount in the Secondary Expansion programme contingency if it is called upon, see Table 9, line 7.

**Table 6: Options for Newlands Girls Academy**

Option	Comments
Accept the tender from Contract Trading Services and note the allocation on contingency against the secondary expansion project. <b>Recommended.</b>	This would enable the scheme to proceed, giving the school accommodation to support their agreement to take in 6 extra pupils from 2017 onwards.
Reduce the scheme to within budget by removing the courtyard in-fill.	This would reduce the projected space by one classroom space. A future project to complete this space would incur further site and fee costs making the scheme more expensive.
Cancel the scheme.	The school would have no additional space for the places it has committed and offered from September 2017. This would leave £776,000 S106 monies unspent that cannot be used elsewhere.

### **Maintenance grant schemes**

- 2.15 The schools capital programme was approved by Cabinet in November 2016 and by Council in February 2017, but was subject to the announcement of capital grant from government.
- 2.16 The capital grant for condition/maintenance schemes was lower than expected, at £778,251. The condition schemes identified in the Children's Services capital programme totalled £1,338,775, and with the balance of £316,993 from previous grants, this leaves a shortfall of £293,531.
- 2.17 With a number of final bills to come from the phase 1 work at Lowbrook Academy, including the completion of the land transfer and associated fencing, it is estimated that circa £1,100,000 will be unspent. It is proposed therefore to reassign £290,000 from the allocation earmarked for Lowbrook Academy to fund the maintenance requirements, releasing £820,000 from the capital programme at the current time as specified in the Council report of 27 June 2017. We hope to be able to support the expansion of the school in partnership with a sponsor or the Department for Education, approving the necessary budget at the appropriate time.

2.18 Table 7 lists the approved maintenance programme, adjusted to balance the budget to the funding available.

**Table 7: Proposed maintenance programme**

	<b>Scheme</b>	<b>Ward</b>	<b>Approved</b>	<b>Proposed</b>	<b>Comment</b>
1.	Furze Platt Infant school boiler replacement	Furze Platt	£85,000	£107,000	Approved and underway.
2.	Wessex Primary gutters and soffits	Cox Green	£35,000	£39,000	Approved and underway.
3.	Maidenhead Nursery School structural improvements	Furze Platt	£40,000	£27,000	Approved and underway.
4.	Wessex Primary School heating	Cox Green	£68,000	£239,000	Investigations have shown that this is urgent & more extensive than expected.
5.	Waltham St Lawrence window replacement	Hurley & Walthams	£50,000	£55,000	Approved and underway.
6.	Roofing replacement at various schools	All Wards	£300,000	£110,000	Slower start to rolling programme with no school projects impacted by reduction.
7.	All Saints Junior school boiler replacement	Boyn Hill	£85,000	£85,000	To be planned.
8.	Eton Wick School boiler and heating replacement	Eton Wick	£97,000	£97,000	To be planned.
9.	Feasibility and scheme preparation	All Wards	£180,000	£180,000	In progress
10.	School kitchen refurbishments	Old Windsor	£25,000	£25,000	In progress
11.	Urgent safety works	All Wards	£60,000	£60,000	In progress
12.	Furze Platt Junior School Hall extension	Furze Platt	£150,000	£150,000	In progress
13.	Bisham House refurbishment	Bisham & Cookham	£75,000	£32,000	Under discussion with Trust
14.	Larchfield Nursery refurbishment	Oldfield	£35,000	£35,000	In progress
15.	Education Capital Emergency Fund	All Wards	£50,000	£93,000	Contingency
16.	King's Court School heating system	Old Windsor	£35,000	£35,000	In progress
	<b>Total</b>	<b>-</b>	<b>£1,370,000</b>	<b>£1,369,000</b>	

### 3. KEY IMPLICATIONS

**Table 8: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Three schemes will be built on time.		Schemes are built by Sept 2018.			Autumn 2018
School maintenance programme delivers warm, safe and dry facilities.		Projects are achieved by March 2018.			March 2018

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The overall secondary expansion programme will not be fully known until January 2018, with two schemes still under development. The scheme at Dedworth Middle school is now out to tender, but Furze Platt Senior school will not be tendered before Autumn 2017 after the redesign work to increase the growth from 30 to 60 extra places per year group.
- 4.2 Table 9 sets out the current position of the secondary expansion programme with two schemes nearing completion and four schemes at tender or tender approval stage. To date those four schemes have been tendered (excluding contingency) at £14,000,000 versus budget of £13,100,000 (excluding contingency). With an allocation of £900,000 from contingency to cover the tender difference and the £130,000 earmark for Newlands Girls' School, the contingency balance is circa £2,670,000 with the largest scheme, at Furze Platt Senior, still to reach pre-tender estimate.

**Table 9: Entire Expansion Programme**

	School	Growth pupil places (per year and total)		Original Budget £m	Likely project cost. £m	Est. cost per place £	Act. Cost per place* £	Based on
1	Windsor Girls (Outstanding)	30	150	2.3	2.0		13,333	Let Contract figure
2	Windsor Boys (Requires Improvement)	30	150	1.8	1.7		11,333	Let Contract figure
3	Charters (Outstanding)	30	210	4.3	4.51		21,476	Contract figure to be approved
4	Cox Green (Good)	30	210	4.7	5.8		27,619	Contract figure to be approved
5	Dedworth Middle (Good)	60	240	4.7	5.6	23,333		Pre-tender estimate for future decision
6	Furze Platt Senior (Good)	60	420	8	11.3	29,904		Stage 3 estimate for future decision
7	Risk & Contingency	-	-	3.7	-	-		-
	<b>Total</b>	<b>240</b>	<b>1,380</b>	<b>29.5</b>	<b>30.91</b>	<b>22,398</b>		<b>-</b>

\* The national average figure is £18,281, based on schemes built between 2012 and 2016.

4.3 All of the schemes with an estimated cost in excess of £20,000 per place include significant infrastructure work such as dining and sports facilities which benefit the entire school population. This is particularly true for Cox Green and Furze Platt schemes where existing facilities are being replaced and re-provided at a larger scale. When the individual schemes are complete all schools will have facilities that are within the guidance for school buildings as set out in Building Bulletin 103.

4.4 Table 10 sets out the confirmed basic need grant for the next three financial years.

**Table 10: Confirmed Basic Need Capital Grants**

Basic Need Capital Allocations (£)	
<b>2017-18</b>	2,348,302
<b>2018-19</b>	1,500,874
<b>2019-20</b>	1,572,213

## 5. LEGAL IMPLICATIONS

- 5.1 Planning permission has been granted for the Newlands scheme. Charters and Cox Green schemes are yet to be determined.

## 6. RISK MANAGEMENT

**Table 11: Risk Management**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Planning conditions increase the costs, particularly Highways.	Medium	Continued liaison over school travel plans and planning requirements,	Medium
Unforeseen costs arise during the projects.	Medium	All relevant surveys have been undertaken during the design stages.	Low

## 7. POTENTIAL IMPACTS

- 7.1 There are no staffing nor sustainability impacts for the Royal Borough arising from this proposal. An Equality Impact Assessment is not required.

## 8. CONSULTATION

- 8.1 The borough consulted local residents on the future of secondary school provision in the borough, in autumn 2014. The outcome of this consultation was reported to Cabinet in December 2014. Schools involved in the expansions programme have been consulted in depth regarding the amount of accommodation required at their school, and on the design for the expansion at their school.

## 9. TIMETABLE FOR IMPLEMENTATION

**Table 11: Timetable for implementation for expansion schemes.**

<b>Date</b>	<b>Details</b>
Approval of tenders.	July 2017
Start on site	October 2017
Completion	Autumn 2018

- 9.1 Implementation date if not called in: immediate.

## 10. APPENDICES

- 10.1 Appendix A – Part II



## 11. BACKGROUND DOCUMENTS

11.1 Tender reports for Charters, Cox Green and Newlands' schemes.

## 12. CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Comment ed &amp; returned</b>
Cllr Airey	Lead Member/ Principal Member/Deputy Lead Member	30/6/17	30/6/17
Alison Alexander	Managing Director	5/7/2017	6/7/17
Russell O'Keefe	Strategic Director		
Andy Jeffs	Strategic Director		
Rob Stubbs	Section 151 Officer	28/6/17	
Richard Bunn	Finance	28/6/17	29/6/17
Terry Baldwin	Head of HR		
	Other e.g. external		

## REPORT HISTORY

<b>Decision type:</b> Key decision	<b>Urgency item?</b>
Report Author: Kevin McDaniel, Director of Children's Services, 01628 683592	