



CABINET – 1ST OCTOBER 2014

SUBJECT: ISLWYN WEST SECONDARY SCHOOL - UPDATE

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 The purpose of the report is to provide members with an update on the new Islwyn West Secondary School. The report includes:

- Progress on the development of the design
- Programme Plan for delivery of the project
- Roles and responsibilities
- Initial Cost Plan
- Appointment of construction contractor
- Project issues to be addressed

2. SUMMARY

2.1 The report presents the three Concept Designs that have been prepared by the Council's Building Consultancy Design Team. AECOM were appointed as the Council's external Project and Cost Consultants. They have endorsed one of the designs as being the most efficient and cost effective. Despite this the reports also highlights that the initial cost plan is in excess of the approved budget of £18 to £18.5 million. However at this stage the cost plan is based on high level costs which are subject to refinement. Therefore the report discusses the measures being taken by AECOM to review the costs. These include the appointment of the construction contractor as quickly as possible in order to gain their input into cost effective construction methods, as well as undertaking value engineering and considering a range of options.

2.2 AECOM have also prepared a Programme timetable which currently shows completion of the school by December 2016 with occupation in January 2017. The Programme represents a realistic worst case position. It is being constantly reviewed to identify ways that the completion date can be brought forward. AECOM have also compiled a matrix of Roles and Responsibilities to help during the management of the project. As well as the date for completion of the new school, other key issues discussed in the report include factors such as the size constraints on the site and the pupil bulge.

3 LINKS TO STRATEGY

3.1 The new secondary school is being delivered as part of the Welsh Government's 21st Century Schools Programme.

4. THE REPORT

- 4.1 The external Project Manager and Cost Consultants, AECOM, were appointed during the Summer and have commenced work on both developing the programme timetable and undertaking the cost analysis of the new school.
- 4.2 The Council's Building Consultancy Design Team have prepared three outline designs for the school which have been passed to AECOM. The designs have been refined following the first stage of the consultation with school staff.

Progress and Issues

4.3 Consultation

Building Consultancy's Design team held the first phase of consultation with school staff in July before the Summer school holidays. This has enabled them to incorporate staff feedback into the Concept Designs as far as possible. The Education Department and AECOM have also jointly met with representatives from the 'shadow' governing body of the new school.

Further consultation meetings are to be scheduled during the Autumn term as work on the school design progresses. These will involve the schools and also the wider community. It is intended that there will be regular engagement with stakeholders as construction of the new school commences.

It is essential that a senior and responsible representative of the school is nominated as soon as possible in order to engage with the design and construction teams, to avoid potential changes at a later date.

Validation and Assessment of Design to Date

- 4.4 Over the summer period, Building Consultancy's Design Team prepared three designs for the new school. These are shown in Appendix 1. AECOM are recommending the design shown in Appendix 1 labelled Option 3. Having reviewed the design, AECOM feel that the proposals are both realistic and efficient, utilising components that have been incorporated in to a number of secondary schools delivered within South Wales. The materials are robust and are not considered to be overly specified. It has reduced complexity within the building design, and its simplicity of design maximises the opportunity to derive cost efficiency within the building. AECOM confirm it is the preferred design option providing the most cost effective solution.

AECOM also confirm that the project work undertaken to date has generally passed RIBA Stage 1 (Preparation and Brief) and is now into Stage 2 (Concept Design), although there remains some elements of the brief which remain under discussion and the budget needs to be reconciled with the currently identified aspirations as noted later in this report. As discussed below AECOM are now liaising with the Council's Procurement team in order to undertake the tendering process for the construction contractor as quickly as is feasible. Once the construction contractor is appointed they will work closely with Building Consultancy's Design Team in order to finalise the design and confirm costs.

Appointment of Construction Contractor

- 4.5 Work has now commenced on the appointment of a construction contractor. The appointment will be made using the two stage tender process as approved by Cabinet on 4th June 2014. The contractor will be selected from the SEWSCAP framework.

In terms of the tendering process, AECOM are liaising with the Council's Procurement team to appoint the construction contractor as quickly as possible. It is envisaged that this will be completed during December. However options are being reviewed for an earlier appointment. The procurement route is a two stage one of negotiating the final design and then the cost of the construction stage. Upon appointment the contractor's first task will be to further develop the principles behind the design, before going on to develop the design to a detail sufficient for costing with some certainty. AECOM will facilitate this process and lead the negotiations with the contractor. The Council is not committed to construct the school until agreement is reached on the price and the contract signed for the main works to commence, currently anticipated to be May 2015. A key project risk is the inability to negotiate the main works price for the delivery of the current design with the contractor to within the available budget.

As presented to Cabinet on 4th June 2014, there are two options in terms of the type of construction contract that can be used once the design and costs have been finalised. These are the NEC Option A (i.e. fixed price) and the NEC option C (target price). The type of contract to be used needs to be included in the tender documentation for the appointment of the design and build contractor. The intention of the two stage process is to provide best value for money and also to maximise cost certainty. To achieve this AECOM are recommending that the Council use Option C with the flexibility to swap to Option A if at the negotiation stage this provides the best value. This recommendation is summarised in AECOM's progress report which is included at Appendix 2

Project Issues to Address

4.6 The Concept Designs produced by Building Consultancy are based on relevant Building Bulletin guidance that the Welsh Government promotes for the design and construction of new schools. During the consultation period with the two schools a number of issues were raised as follows:

- The availability of playing fields may be restricted by the site constraints at Oakdale Plateau 3. This may be addressed by using playing fields nearby to supplement the facilities at Oakdale Plateau 3. One possibility is the facility already located at Rhiw Sir Dafydd.
- The size of the sports hall prescribed by the Building Bulletin for a secondary school is that of a four court badminton hall. The schools have aspirations for a larger hall capable of allowing netball to be played. The cost of this larger sports hall would be an additional £100,000. However it would alleviate some of the concerns regarding the availability of sporting facilities.
- The size of the main hall prescribed by the building Bulletin for a secondary school is in the view of the existing school staff insufficient for activities such as exam sittings.
- A curriculum analysis undertaken by the existing schools suggests the requirement for an additional 6 classrooms in comparison with the suggested number by the Building Bulletin. If the permanent design is adjusted to accommodate these classrooms then the additional cost could be in the region of £750,000.

Pupil Numbers

4.7 The longer term planning size of the school is 900. However while catchment area changes take effect it has always been acknowledged that there will be a "three year bulge" of pupils. The current design brief allows for a bulge of 100 pupils which can be accommodated flexibly within the design using resource areas and space that will be converted to community usage when the bulge subsides. Due to the high level of surplus places at both existing schools, it is going to be difficult to enforce the catchment area changes in September 2015 because of parental preference. Therefore it is possible that the bulge may be bigger. The Statutory Notice published a capacity of 1100 for September 2016 that would be managed down using relevant admissions policy. However to accommodate more than 1000 pupils flexibly with

permanent build would compromise the Council's ability to reduce the school's capacity in future years. The exact size of the pupil bulge may not be known until December when the admissions process for September 2015 is further progressed. Therefore at this stage it is necessary to cost in for a temporary classroom block capable of accommodating up-to a further 100 pupils taking the total to the stated 1100 pupils. The additional cost of this will be in the region of £300,000.

Costing Analysis

4.8 AECOM's detailed cost analysis is discussed in their Progress Report included at Appendix 2, and summarised below.

	£'000	£'000
Cost of mainstream element of Design to accommodate 1,000 pupils (900 plus 100 of the bulge)	19,720	
ALN Unit (for 50 pupils)	650	
Furniture and Equipment	647	
ICT Equipment	483	

AECOM's Initial Cost Plan		21,500
Additional potential costs		
Temporary classroom block To accommodate bulge between 1,000 and 1,100 pupils	300	
Cost of bigger sports hall	100	
Additional requirement of curriculum analysis	750	

		1,150
GRAND TOTAL		22,650

The figures above include discussions around additional aspirations of the schools following preparation of the initial cost plan i.e. bigger sports hall. However the figures are based on the number of classrooms recommended by the building bulletin. The project is clearly in excess of the approved budget of £18 to £18.5 million. However they are high level costs at this stage which are subject to refinement. AECOM are now working closely with Building Consultancy to identify the first stages of possible value engineering to bring costs down though it is agreed that the current design is efficient and the specification allowed for in the costing allows for no enhancements. AECOM and Education are also exploring options that will help to reduce the currently estimated costs.

These deliberations will continue once the construction contractor is on board. Finally AECOM will lead detailed negotiations with the construction contractor in order to reduce the price to the lowest possible level.

Programme Timetable

- 4.9 AECOM have prepared an amended programme for delivery of the new school. The programme is shown at Appendix 3. Currently the school is scheduled for completion in December 2016 with the school being occupied from January 2017. However AECOM are reviewing the programme on an on-going basis and will advise if it is possible to bring the completion date forward.
- 4.10 In their role as Project Managers AECOM Have produced an Organogram showing accountabilities and also a Responsibility Matrix. These are shown in Appendices 4 and 5 respectively.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equalities Impact Assessment was conducted as part of the formal consultation process for the new school.

6. FINANCIAL IMPLICATIONS

- 6.1 A budget of around £18 million has already been approved by the Council based on the original estimates prepared at the time that the all three projects within the 21st Century Schools Programme were submitted to the Welsh Government. However as the full programme has developed Welsh Government has confirmed that it is possible to re-profile grant between the projects to reflect revised estimates for the projects.
- 6.2 The initial cost plan for the new Islwyn West secondary school shows the total cost exceeds the original estimate In terms of addressing this, the review of costs and value engineering exercises, together with the negotiations with the design and build contractor will reduce the final price to the lowest possible level. A review is also being undertaken of the profile of grant across the other projects in the 21st Century Schools Programme so that an appropriate virement can be made.

7. PERSONNEL IMPLICATIONS

- 7.1 There will be personnel implications in relation to staff from the existing Oakdale and Pontllanfraith Comprehensive Schools. An HR Strategy is being developed to manage this process.

8. CONSULTATIONS

- 8.1 Consultation has taken place with the staff of the two existing schools and some governors. Further consultation with the schools and wider community is planned. The list of consultees below has also been consulted. The report incorporates the views of consultees.

9. RECOMMENDATIONS

- 9.1 Members are asked to note the following:

The Initial Cost Plan for the new school is in excess of the budget that is currently available.

However work is in hand to review costs with the aim of reducing them to the lowest possible level.

The current anticipated completion of the school is December 2016 with occupation scheduled for January 2017. Opportunities to bring the completion date forward are being explored.

- 9.2 Members are asked to approve that the Concept Design labelled as Option 3 in Appendix 1, as recommended by AECOM, can be used for further consultation with the schools.
- 9.3 Members approve the use of NEC Option C form of contract, with the flexibility to transfer to Option A. This is also recommended by AECOM.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure members are aware of current progress on the project.
- 10.2 To enable further school consultation during October.
- 10.3 To enable the tendering process for the design and build contractor to proceed.

11. STATUTORY POWER

- 1.1 School Standards and Organisation (Wales) Act 2013 and its associated Code.

Author: Martin Donovan, Project Lead 21st Century Schools
E-mail: DONOVM1@caerphilly.gov.uk
Consultees: Directorate Senior Management Team
Councillor Rhianon Passmore, Cabinet Member for Education & Lifelong Learning
Councillor Keith Reynolds, Leader
Councillor David Hardacre, Cabinet Member for Performance and Asset Management
Nicolle Scammell, Acting Director of Corporate Services & S151
Chris Burns, Interim Chief Executive
David A Thomas, Senior Policy Officer (Equalities & Welsh Language)
Colin Jones, Head of Performance & Property Services
Gail Williams, Acting Head of Legal Services/Monitoring Officer
Angharad Price, Solicitor, Legal Services

Appendices

- 1 (a to c) New School Concept Designs
- 2 Recommended Contract Type
- 3 Initial Cost Plan
- 4 Programme
- 5 Organogram
- 6 Roles and Responsibilities Matrix