

# Powys County Council

For Finance Use
REF
JOURNAL NO
JOURNAL NAME

## Capital Budget Virement Application Form

[Please see guidance notes on page 2532 of the Intranet]

To	Deputy Head of Financial Services	
From	David Thompson	Project Manager
	David Thompson	Budget Holder
	Lynette Lovell	Service, Head of Service
Date	5 <sup>th</sup> November 2019	

### Details of Virement

Please refer to notes to ensure all the relevant details are included.

Refer to the report below.

New Scheme Name	
Job Code	

### Budget Increases

Scheme Name	Welshpool High School Consequential works
Job Code	910001 CLS70033 & CLS70044

	Total Cost £	Prior Years £	2017-18 £	2018-19 £	2019-20 £	Future Years £
Existing Budget	£1,699,000				£1,699,000	
Revised Budget	£1,799,000				£1,728,000	£71,000
Increase Required	£100,000-00				£29,000-00	£71,000

### Financing

Scheme Name	Ysgol Llanbrynmair C.P Early Years alterations
Job Code	910003 CLS00032 EX000003

Existing Budget	£107,576-66				£107,576-66	
Revised Budget	£7,576-66				£7,576-66	
Decrease Required	£100,000-00				£100,000-00	

### Additional/New Resources

Capital Receipts					
Grant					
Supported Borrowing	£107,576-66			£107-576-66	
Prudential Borrowing Reserves					
, Total	£107,576-66			£107,576-66	

NOTE: Total financing must match increase required above.

### Other Financial Implications (future years capital/ revenue – Do not leave blank)

The scheme is subject to the completion of the pitch works and agreement of the final account for the pitch works.

### Approvals

### Signatures

Required in all cases	Head of Service		Date	12/12/19.
Please print the name of the above				
Required in all cases	Section 151 Officer <i>DR</i>		Date	24/12/19.
Please print the name of the above				
£25,001 to £100,000	Portfolio Cabinet Member		Date	14/1/20
Please print the name of the above				
£100,001 - £500,000	Cabinet Minute Ref.		Date	
Over £500,000	County Council Minute Ref.		Date	

## Capital Budget Virement Report to Portfolio Holder for Education and Cabinet Members – Welshpool High School Consequential (Pitch improvements and refurbishment of pupil changing rooms and toilets) works

### 1.0 Background

In financial year 2019/20 and as part of the 21<sup>st</sup> Century Band B programme a Business Justification Case was approved by the Welsh Government for a total budget of £1,699,000 to:

- Refurbish the male and female pupil changing rooms and central toilet areas
- Refurbishment of the grassed pitch and
- Improvement to the tennis courts, Multi Use Games area (MUGA)
- Relocation of long jump and cricket net facilities next to MUGA to ensure adequate statutory team game playing field area
- Resolve incoming water main leaks across the new pitch facilities.

The project forms part of a tranche in the Powys County Council's Schools Transformation Programme in Welshpool which is resulting in the reconfiguration of four primary/junior/infant schools into two new schools – Welshpool CiW Primary School and Ysgol Gymraeg y Trallwng, and the development of two new 21<sup>st</sup> C School buildings to accommodate these pupils.

In the original Full Business Case that supported these developments, it was stated that: -

*'Since approval of the OBC, the preferred option has been revised to include modifications to Welshpool High School. The English Medium school will be built on the existing High School playing fields, which will remove the amenity from the High School. To compensate for the loss of amenity, maintain the standard of the existing facilities and facilitate key stakeholder agreement to deliver this project. These improvements will help ensure young people in Welshpool have high-quality learning sporting opportunities throughout their educational career through primary and secondary education and will therefore support the 21C Schools agenda to provide a high-quality learning environment.'*

*The playing fields at both sites of new schools are also extensively used by local sports clubs - a total of 18 junior football teams benefit from these extra-curricular activities every week. It is therefore imperative that sports facilities at the High School are refurbished as they will also be used by the community and sports clubs.'*

The project to improve the secondary sports, changing and toilet facilities were submitted as a separate Business Justification Case for the remodelling of Welshpool High School'.

The investment is linked to the construction of Welshpool CiW Primary School on Salop Road which is the former Welshpool High School's grassed sports fields. The investment will remodel sports facilities both external and internal, ensuring that the school has appropriate resources for all its pupils to maintain PE curriculum and educational delivery, whilst ensuring that pupils have enough informal social areas at the school. The investment will ensure that the facilities at the school are in accordance with Section 77(7) of the School Standards and Framework act 1998

which is designed to protect school playing fields. The facilities will also be available for recreational and community usage.

In 2018 the project was commissioned to the Heart of Wales Property Services Ltd who were the Project Managers for the pitch works and refurbishment of the changing room and toilet works. Their sub-consultants for the design work were resourced from by Kier Services in Liverpool.

In mid-April 2019 it was agreed for HoWPS to pass back the Pitch works project to Powys CC Engineering Design Services with HoWPS confirming the design and performance specification including all ground investigations. This was on the basis on tendering by the end of May 2019 so that a start on site can be achieved during the school summer holidays.

In January 2019 it was identified by the Schools Service there was a finite window in 2019 to commence the pitch improvement works in July 2019 given completion date for new Welshpool C in W School on Salop Road and the need for the new high school facilities to be in place. The late change in Consultancy resourcing for the pitch works by HoWPS resulted in PCC Engineering Design Services re-structuring their projects and resource, to accommodate the pitch works project from mid-April 2019 onwards.

It is now understood there was insufficient time for EDS to re-draw and prepare detailed designs from the Kier design information. The Schools Service Project Manager passed across all relevant Kier feasibility study, design and site investigation information.

The tender package was procured through the DPS framework on Sell2Wales in agreement with PCC Commercial Services. On receipt of tenders, there was no confirmation to the Schools Service Project Manager there were gaps in the scope of works identified in Table 2 below.

The appointment of the contractors for both the changing room and toilet refurbishment works and pitch works were on the understanding the contractual commitments were within the approved budget. The changing room and toilet work contractor was due to finish the work on the 23<sup>rd</sup> August 2019 in preparation for the new academic term in early September 2019. The contractor has claimed a two-week extension of works for accelerated works due to for changes to shower drainage, structural scaffolding to openings in toilets and unforeseen asbestos works to ensure toilet facilities available from September 2019. The final account is yet to be agreed and the worst-case scenario has been included in the figures below.

At a site progress meeting with all key stakeholder in August 2019, there were concerns raised with the extent and type of fencing including in-built goals etc.

On the 11<sup>th</sup> September 2019 the Schools Service Project Manager requested PCC EDS for a financial update to confirm the status of the Pitch works and including the contract sum, additions and any risks values. On the 25<sup>th</sup> October 2019 the Schools Service Project Manager met with the PCC EDS Project Manager and reviewed the additional works and compensation events.

## 2.0 Proposals

The existing school facilities being improved at Welshpool High School were prior to capital investment in a dilapidated and unserviceable condition and not fit for purpose.

The new pitch marking and acrylic surfacing for the Multi Use Games Area must be laid in dry conditions above 5 degrees centigrade and this work will have to take place in spring/summer 2020 to ensure the warranty. The profile of funding shows £71,000 carried forward into financial year 2020/21.

It is proposed to seek approval to vire a £100,000 of capital funding from within the Schools Major Improvements programme and the early years project at Ysgol Llanbrynmair C.P. school. This has an approved budget of £107,000 in financial year 2019/20. At present, the investment in early years facilities is not justifiable and it is proposed to rank the work in the Schools Major Improvements programme in future years with the business case to be reviewed after a further 12 months following the schools review.

## 3.0 Financial Status of Pitch works and Changing rooms and toilet project

Below is a summary of the overall estimated costs:

Total commitments for Changing room & toilet work	£597,455-92 (See Note 1)
Total commitments for Pitch work (MUGA, tennis courts, grassed pitch)	<u>£1,199,618-53</u> (See Note 1)
<b>Total Contractual Commitments</b>	<b>£1,797,074-45</b>
<b>Approved budget</b>	<b>£1,699,000-00</b>
<b>Additional Project Funding requirements</b>	<b>£100,000-00</b>

(Note 1 figures are subject to the agreement of final account)

## 4.0 Summary of additional works and contractual commitments

Refer to the summary tables below:

### Table 1 - Changing room and toilet refurbishment works

The contract sum for the Changing room and toilet works was £475,706-83 and the following additional works were required:

1. Fit new soffit boards following removal of asbestos	£950-00
2. Upgrade non-maintained emergency lighting	£4,715-91
3. Fit stainless steel Aco drains to showers	£3,640-16
4. Upgrade electrical supply feeds to changing rooms	£1,152-59
5. Additional structural scaffolding to support new beam	£10,230-00*
6. Additional asbestos removal works to eaves to Accommodate new windows	£3,572-80
7. Acceleration works by contractor for changes to shower drainage/structural scaffolding to openings in toilets/asbestos works unforeseen to ensure toilet facilities available from September 2019	£9,034-20*
8. Temporary pupil changing rooms Operational by early September 2019	£4,611-95

- |  |         |
|--|---------|
| 9. Other minor works to upgrade new paintwork to a robust paint finish to reduce maintenance | £111-93 |
|--|---------|

\*Items to be agreed and in dispute and subject to agreement of final account

Total Additional works	£38,019-54
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These additional works were contained within the original contingency allowance of £50,000.

*Table 2 - Pitch works (MUGA, tennis courts and upgrade of grassed pitch)*

The contract sum for the Pitch works was £913,754-06 and the following additional works have now been included to meet the education requirements:

- |  |                   |
|--|-------------------|
| 1. Change in drainage construction detail to make it buildable | £18,058-37        |
| 2. Change of colour to the running track                       | £1,730-30         |
| 3. New post & rail fence at top of bank to prevent falling     | £2,640-00         |
| 4. Additional Heras fencing to maintain safety of pupils       | £1,936-00         |
| 5. Removal of trees due to value engineering                   | £1,320-00         |
| 6. Testing of slip resistance to new Tennis court lines        | £688-60           |
| 7. Additional triple jump take off boards (Awaiting price)     | £2,500-00         |
| 8. Reconfiguration of gates following Value engineering        | <u>£10,967-00</u> |

<b>Total Additional works</b>	<b>£39,840-27</b>
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Works not included in the performance specification prepared by Kier and PCC EDS at tender stage which is required to meet educational requirements:

- |   |                  |
|---|------------------|
| 1. New fencing around Long Jump & Cricket nets  | £14,168-00       |
| 2. New fencing to MUGA on the new retaining walls                                     | £4,774-00        |
| 3. Installation of Netball Posts, tennis posts, folding Goals and built in MUGA goals | £41,262-25       |
| 4. Cricket practice netting (Awaiting price)  | £9,000-00        |
| 5. Sub-base to Cricket practice area  | £2,563-02        |
| 6. Specialist surfacing to Long Jump area   | £11,774-40       |
| 7. Specialist surfacing to Cricket practice area                                      | £20,075-00       |
| 8. Construction of long jump pit (Awaiting price)                                     | £5,000-00        |
| 9. Additional Preliminary contractor costs  | <u>£3,344-00</u> |

<b>Total works</b>	<b>£111,960-67</b>
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The above figures are subject to final account being agreed.

## 5.0 Options considered

- o Option 1 – Do nothing.
- o Option 2 – Improvements to upgrade pupil changing rooms and toilets and outdoor pitch facilities to meet educational, School Premises Regulations and the Health & Safety at Works Act requirements. To reduce the schools water

loss and on-going revenue costs and enable claim to Severn Trent water for over-charging.

### **Risks**

The status quo represents a significant risk to the authority in terms of:

- If **Option 1** is to do nothing and the Service will not comply with the Health & Safety at Work Act 1974 to provide a working environment and premises which is safe and without risk to health and suitable educational facilities to support educational delivery and school design standards.
- If **Option 2** is chosen, then the authority will comply with the above legislation and meet service provider operational property needs and school design standards.

### **Service objectives/benefits**

Powys Change Plan - Maintaining the Schools to a fit for purpose standard ensuring they can deliver high quality educational experiences for all pupils. The infrastructure improvement will ensure the authority demonstrates it is complying statutory legislation and maintaining its buildings and property to a fit for purpose standard.

### **Financing**

This type of investment represents an upgrading of the Schools Services infrastructure. This is not normally the type of project funded by the schools delegated budget.

It is recommended to proceed with Option 2 to meet with contractual commitments and ensure fit for purpose and safe outdoor educational facilities to raise education standards and facilitate the tranche as part of the Welshpool transformation programme for primary schools.





confirmation from PCC EDS to the Schools Service Project Manager there were gaps in the scope of works identified in Table 2 below.

The appointment of the contractors for both the changing room and toilet refurbishment works and pitch works were on the understanding the contractual commitments were within the approved budget. The contractor was due to finish the work on the 23<sup>rd</sup> August 2018 in preparation for the new academic term in early September 2019. The contractor has claimed a two-week extension of works for accelerated works due to for changes to shower drainage, structural scaffolding to openings in toilets and unforeseen asbestos works to ensure toilet facilities available from September 2019. The final account is yet to be agreed and the worst-case scenario has been included in the figures below.

At a site progress meeting with all key stakeholder in August 2019, there were concerns raised with the extent and type of fencing including in-built goals etc.

On the 11<sup>th</sup> September 2019 the Schools Service Project Manager requested PCC EDS for a financial update to confirm the status of the Pitch works and including the contract sum, additions and any risks values. On the 25<sup>th</sup> October 2019 the Schools Service Project Manager met with the PCC EDS Project Manager and reviewed the additional works and compensation events.

## **2.0 Proposals**

The existing school facilities being improved at Welshpool High School were prior to capital investment in a dilapidated and unserviceable condition and not fit for purpose.

The new pitch marking and acrylic surfacing for the Multi Use Games Area must be laid in dry conditions above 5 degrees centigrade and this work will have to take place in spring/summer 2020 to ensure the warranty. The profile of funding shows £71,000 carried forward into financial year 2020/21.

It is proposed to seek approval to vire a £100,000 of capital funding from within the Schools Major Improvements programme and the early years project at Ysgol Llanbrynmair C.P. school. This has an approved budget of £107,000 in financial year 2019/20. At present, the investment in early years facilities is not justifiable and it is proposed to rank the work in the Schools Major Improvements programme in future years with the business case to be reviewed after a further 12 months following the schools review.

## **3.0 Financial Status of Pitch works and Changing rooms and toilet project**

Below is a summary of the overall estimated costs:

Changing room and toilet works	£527,112-32 (See Note 1)
Less adjustment to exclude DDA works funded separately	(£13,385-85)
Consultancy Fees	£58,418-14
Asbestos demolition survey and analysis	£4,901-31
Core samples to existing floors	£395-00
CCTV & drainage survey	£13,320-00
Topographical & buried services survey	£4,800-00
Building Control Fees	£1,800-00
Planning Fees (windows)	£95-00

Pitch works (MUGA, tennis courts, grassed pitch) (accepted tender sum)	£913,754-06 (See Note 1)
Additional works (see Table 2 below)	£39,840-27 (See Note 1)
Additional works not included in tender to meet Educational needs (See Table 2 below)	£111,960-68 (See Note 1)
Consultancy Fees Feasibility	£9,000-00
Consultancy Fees design, tender & contract Management and site supervision	£76,561-82
Site investigation works	£10,967-20
Sustainable Drainage (Statutory approval) Fee	£1,404-00
Planning Fees (Pitch works)	£1,520-00
Replacement of leaking water main under pitch Consultancy Fees	£30,062-18 £4,548-33
<b>Total Contractual Commitments</b>	<b>£1,797,074-45</b>
<b>Approved budget</b>	<b>£1,699,000</b>
<b>Additional Project Funding requirements</b>	<b>£100,000-00</b>

(Note 1 figures are subject to the agreement of final account)

#### 4.0 Summary of additional works and contractual commitments

Refer to the summary tables below:

*Table 1 - Changing room and toilet refurbishment works*

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5. Additional structural scaffolding to support new beam (delay in Kier providing Structural design calculations)	£10,230-00*
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\*Items to be agreed and in dispute and subject to agreement of final account

Total Additional works	£38,019-54
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These additional works were contained within the original contingency allowance of £50,000.

*Table 2 - Pitch works (MUGA, tennis courts and upgrade of grassed pitch)*

The contract sum for the Pitch works was £913,754-06 and the following additional works have now been included to meet the education requirements:

1. Change in drainage construction detail to make it buildable	£18,058-37
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3. New post & rail fence at top of bank to prevent falling	£2,640-00
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8. Reconfiguration of gates following Value engineering	<u>£10,967-00</u>

**Total Additional works** **£39,840-27**

Works not included in the performance specification prepared by Kier and PCC EDS at tender stage which is required to meet educational requirements:

1. New fencing around Long Jump & Cricket nets	£14,168-00
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8. Construction of long jump pit (Awaiting price)	£5,000-00
9. Additional Preliminary contractor costs	<u>£3,344-00</u>

**Total works** **£111,960-67**

The above figures are subject to final account being agreed.

**5.0 Options considered**

- o Option 1 – Do nothing.
- o Option 2 – Improvements to upgrade pupil changing rooms and toilets and outdoor pitch facilities to meet educational, School Premises Regulations and the Health & Safety at Works Act requirements. To reduce the schools water loss and on-going revenue costs and enable claim to Severn Trent water for over-charging.

**Risks**

The status quo represents a significant risk to the authority in terms of:

- o If **Option 1** is to do nothing and the Service will not comply with the Health & Safety at Work Act 1974 to provide a working environment and premises which is safe and without risk to health and suitable educational facilities to support educational delivery and school design standards.

- If **Option 2** is chosen, then the authority will comply with the above legislation and meet service provider operational property needs and school design standards.

### **Service objectives/benefits**

Powys Change Plan - Maintaining the Schools to a fit for purpose standard ensuring they can deliver high quality educational experiences for all pupils. The infrastructure improvement will ensure the authority demonstrates it is complying statutory legislation and maintaining its buildings and property to a fit for purpose standard.

### **Financing**

This type of investment represents an upgrading of the Schools Services infrastructure. This is not normally the type of project funded by the schools delegated budget.

It is recommended to proceed with Option 2 to meet with contractual commitments and ensure fit for purpose and safe outdoor educational facilities to raise education standards and facilitate the tranche as part of the Welshpool transformation programme for primary schools.

which is designed to protect school playing fields. The facilities will also be available for recreational and community usage.

In 2018 the project was commissioned to the Heart of Wales Property Services Ltd who were the Project Managers for the pitch works and refurbishment of the changing room and toilet works. Their sub-consultants for the design work were resourced from by Kier Services in Liverpool.

With reference to an e-mail received in mid-April 2019 from Jim Swabey, a meeting was held with Jim Swabey (HoWPS Professional Lead – Consultancy), Simon Kendrick (PCC Engineering Design Services) and Calvin Williams (HoWPS) and it was agreed:

1. Kier has now released all design (and performance specification) information and this has been passed to EDS.
2. Simon Kendrick is in discussion with PCC Procurement around the preparation of tender documents.
3. Kier design information is set out on basis of Option 3, a stone filled trench solution that requires natural infiltration to work. We consider that this is unlikely to be an acceptable solution, and that the most likely is the use of a storage mat with hydro-break into existing drainage.
4. RSK are on site at present undertaking site investigation. We (Calvin) will chase RSK to obtain early release of porosity information. This will clarify which of the design solutions is acceptable.
5. The tender documentation will then be amended to contain a single, acceptable design solution. This will take considerable risk out of the pricing strategy, which at present is looking to price a solution that is not likely to be acceptable.
6. It is considered likely that if the scheme is tendered by the end of May that a start on site can be achieved during the school summer holidays.

It is understood the pitch works tranche of the project was passed back by HoWPS to Powys County Council as the HoWPS framework rates for Consultancy and the use of the back-reach resource from Kier Services in Liverpool would result in a loss of income for HoWPS.

In January 2019 it was identified by the Schools Service there was a finite window in 2019 to commence the pitch improvement works in July 2019 given completion date for new Welshpool C in W School on Salop Road and the need for the new high school facilities to be in place. The late change in Consultancy resourcing for the pitch works by HoWPS resulted in PCC Engineering Design Services re-structuring their projects and resource, to accommodate the pitch works project from mid-April 2019 onwards.

It is now understood there was insufficient time for EDS to re-draw and prepare detailed designs from the Kier design information. The Schools Service Project Manager passed across all relevant Kier feasibility study, design and site investigation information. The Schools Service Project Manager was not party to the finalised design and tender information issued for tendering and therefore could not check the scope of works agreed at the feasibility stage with the school to deliver the educational needs and outcomes.

The tender package was procured through the DPS framework on Sell2Wales in agreement with PCC Commercial Services. On receipt of tenders, there was no

## Capital Budget Virement Report to Portfolio Holder for Education and Cabinet Members – Welshpool High School Consequential (Pitch improvements and refurbishment of pupil changing rooms and toilets) works

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The project forms part of a tranche in the Powys County Council's Schools Transformation Programme in Welshpool which is resulting in the reconfiguration of four primary/junior/infant schools into two new schools – Welshpool CiW Primary School and Ysgol Gymraeg y Trallwng, and the development of two new 21<sup>st</sup> C School buildings to accommodate these pupils.

In the original Full Business Case that supported these developments, it was stated that: -

*'Since approval of the OBC, the preferred option has been revised to include modifications to Welshpool High School. The English Medium school will be built on the existing High School playing fields, which will remove the amenity from the High School. To compensate for the loss of amenity, maintain the standard of the existing facilities and facilitate key stakeholder agreement to deliver this project. These improvements will help ensure young people in Welshpool have high-quality learning sporting opportunities throughout their educational career through primary and secondary education and will therefore support the 21C Schools agenda to provide a high-quality learning environment.'*

*The playing fields at both sites of new schools are also extensively used by local sports clubs - a total of 18 junior football teams benefit from these extra-curricular activities every week. It is therefore imperative that sports facilities at the High School are refurbished as they will also be used by the community and sports clubs.'*

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