

**FALKIRK COUNCIL**

**SUBJECT: NEW ASN SECONDARY SCHOOL PROJECT**

**MEETING: FALKIRK COUNCIL**

**DATE: 7 OCTOBER 2015**

**AUTHOR: DIRECTOR OF CHILDREN'S SERVICES**

**1. INTRODUCTION**

1.1 The purpose of this report is to:

- Advise members of revised estimated costs and progress on design and planning for the new school.
- Seek members approval:
  - of the Stage 1 Hubco executive summary report (attached as Appendix 2) and payment of Stage 1 costs;
  - to proceed to Stage 2 of the project within the funding already allocated; and
  - for officers to submit a revised capital bid in line with the costs indicated in the Stage 1 report, for consideration at the Council's February budget meeting to facilitate delivery of the project in line with the previously agreed timeline.

**2. BACKGROUND**

- 2.1 In 2013, Falkirk Council were successful in a bid to the Scottish Government "Schools for the Future" funding to assist in the delivery of a new purpose-built ASN secondary school to replace Carrongrange School.
- 2.2 On 16 December 2013, it was agreed at Education Executive, that this new school would be built within the extensive grounds of Moray Primary School off Oxbang Road in Grangemouth. This followed consultation with parents and other stakeholders within the terms of the Schools (Consultation) (Scotland) Act 2010.
- 2.3 Following the Education Executive's decision a Project Team was established and this team have met regularly to determine requirements and advise on the design of the new school. The Education Design Team within Development Services are providing full design and architectural services for the project.
- 2.4 A budget of £15.350 million was approved in the 2015-18 Capital Programme.
- 2.5 Falkirk Council will receive 50% funding on the cost of this new school (£7.675million) from the Scottish Futures Trust as part of the "Schools for the Future Phase 3" Programme.

- 2.6 As a condition of this funding, a New Project Request was submitted to Hub East Central Scotland (Hubco) on 19<sup>th</sup> February 2015 to proceed with project delivery using the Design and Build procurement route under the Scottish Future's Trust's hub initiative. Hubco appointed Ogilvie Construction Ltd as the main Contractor on the project.
- 2.7 The Stage 1 process for design and site preliminary work has now been concluded by Hubco and they have provided a Stage 1 Report, which has been approved by their Board. This report includes:
- a detailed pricing report;
  - a technical design submission;
  - a programme for delivery.
- 2.8 Within the Stage 1 report Hubco have revised their project costings to take account of:
- Inflationary uplift up to the project end in August 2017.
  - A revised 'risk sum allowance'.
- 2.9 The Stage 1 report sets a maximum project cost of £17.568m. However within that they have built in a 'risk sum allowance' of £0.844m. If the associated risks do not arise then the maximum project cost will reduce accordingly.
- 2.10 The maximum project cost represents a final cost to the Council of £8.784m with the Scottish Futures Trust funding the same amount. The £17.568m also represents the Scottish Futures Trust funding cap based on their current funding metric. This represents a potential increase of £1.109m to the Council.
- 2.11 Subject to member approval a revised submission will, in light of the above information, be made to the 2016-19 Capital Programme which will be considered as part of the Council's 2016-17 budget.
- 2.12 A planning application for the new school has been submitted. The proposed layout and site plan are shown in Appendix 1.
- 2.13 To meet the timescales for delivery of the new school in time for an August 2017 opening, Stage 2 works are now underway, awaiting final approval of the Stage 1 report.
- 2.14 The Stage 2 programme will lead to Financial Close in February 2016 where the Design and Build Development Agreement (DBDA) will be signed by all parties prior to construction starting in March 2016.
- 2.15 The Stage 2 Programme includes:
- preparation of detailed design, fit-out;
  - work required to attain necessary consents (planning, building warrants etc.);
  - work package procurement and appointment of sub-contractors;
  - preparation and agreement of legal and commercial contracts.
- 2.16 Further progress of the project now requires the formal approval of the Stage 1 Report. This will enable payment to HubCo, the Contractor and it's sub-contractors for Stage 1 works undertaken between February and July 2015, and for ongoing Stage 2 works.

2.17 Whilst the Stage 1 and Stage 2 costs are incorporated within the agreed 2015-18 Capital Programme budget, the clearer cost certainty provided in the Stage 1 report indicate that a revised budget for the construction will require to be considered in the 2016-19 Capital Programme.

2.18 Stage 1 actual costs are £78,501 and the costs estimated for Stage 2 works are £0.643m.

### **3. RECOMMENDATIONS**

**Falkirk Council are asked to:**

- 3.1 note the revised estimated costs and progress on design and planning for the new school;**
- 3.2 agree the Stage 1 Hubco report to enable the payment of Stage 1 costs of £78,501 and to allow the project to progress to Stage 2; and**
- 3.3 agree that officers submit a revised capital bid, as per the Stage 1 report, for consideration at the Council's February budget meeting of its 2016-2019 Capital Plan.**

.....  
**Director of Children's Services**

Date: 21 September 2015

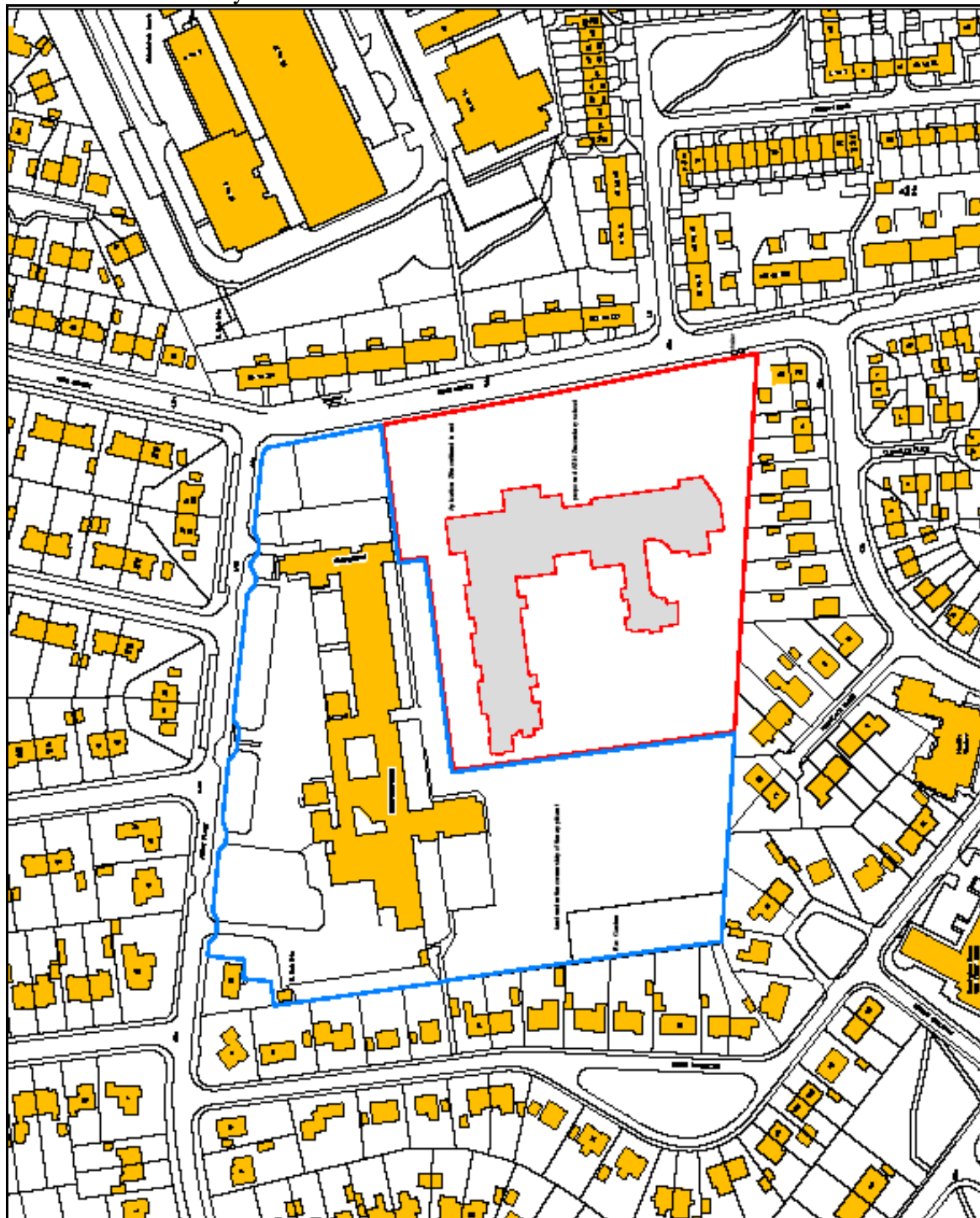
Contract Officer: Richard Teed, Ext No 6621.

### **LIST OF BACKGROUND PAPERS**

- 1. Stage 1 Report
- 2. Pre-application Consultation Report

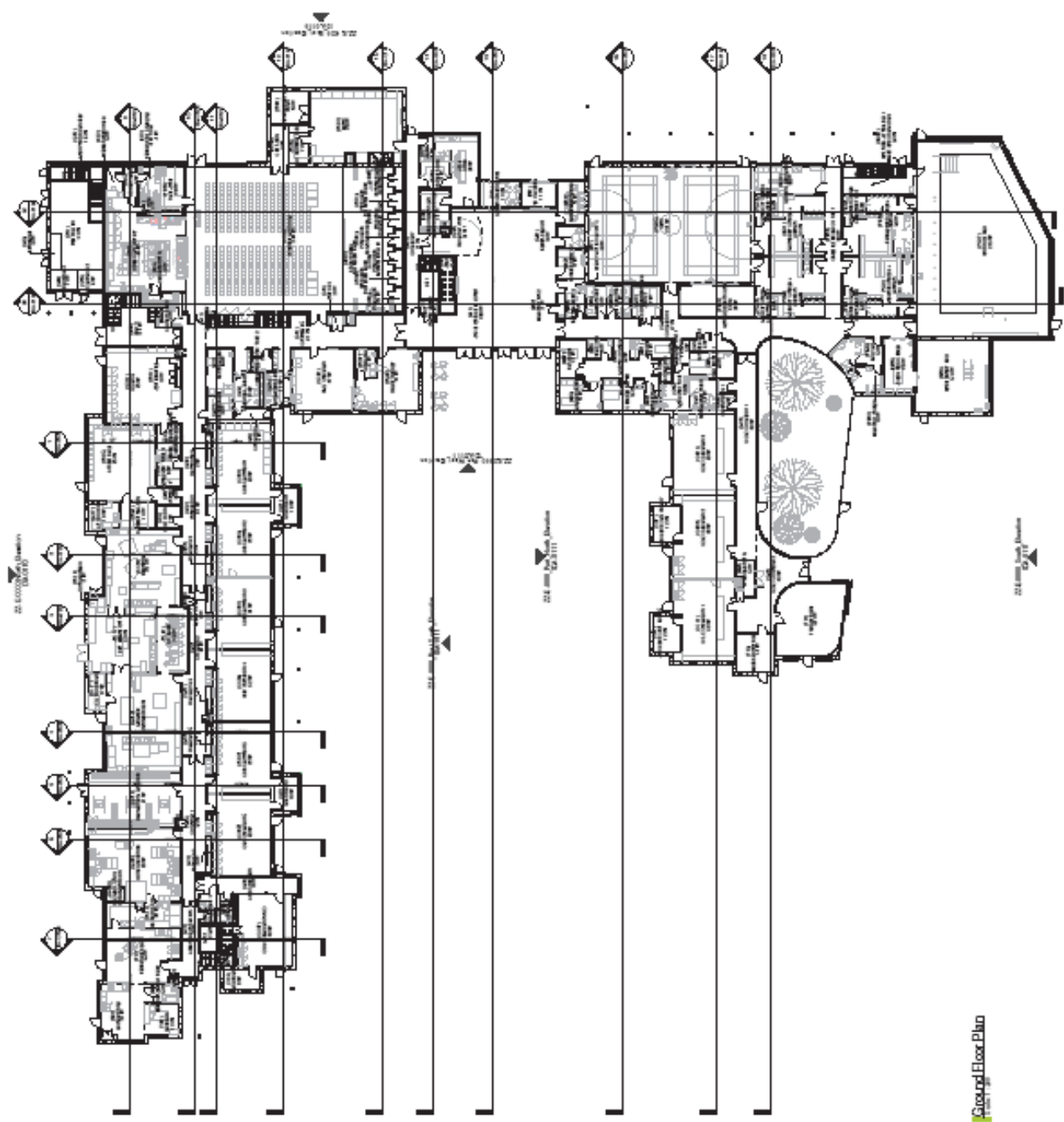
Any person wishing to inspect the background papers listed above should telephone 01324 506621 and ask for Richard Teed.

## New ASN Secondary School – Site Plan



Based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office (HMSO) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Falkirk Council Licence No. LA09048L.

New ASN Secondary School – Ground Floor Plan





**EAST CENTRAL HUB - STAGE 1 REPORT  
CARRONGRANGE ASN SCHOOL**

**1.0 EXECUTIVE SUMMARY**

This Stage One Report has been produced following the New Project Request submitted by Falkirk Council on the 19th February 2015 to proceed with project delivery using a Design and Build procurement route under the Scottish Futures Trust's hub initiative, within the East Central Hub territory.

This Stage 1 report has been prepared in accordance with the requirements of the Territory Partnering Agreement (TPA) Schedule Part 5, Part 4 – Stage 2 Approval Process for New Projects.

The Carrongrange ASN project has been developed to RIBA Stage C by the Tier 1 Contractor Ogilvie Construction and their Design Team. Subsequently, Ogilvie have developed a predicted maximum cost for the works as required by Part 6 of the Territory Partnering Agreement.

The project comprises the Design and Construction of a new Additional Support Needs Secondary School for Falkirk Council on a site next to Moray Primary School, which was identified as providing the optimum location for the school. As part of Falkirk Councils overall School estate review, the new ASN School replaces the existing Carrongrange ASN School adjacent to Larbert High School which may be used to enhance the existing secondary school provision in Falkirk.

The new school will provide internal and external spaces designed to meet the needs of children that require additional support needs, taking into account current technical standards and guidance to enhance the learning environment which the staff and pupils can take full advantage of.

The GIFA of the project issued with the NPR was set at 6,105m<sup>2</sup>, based on a pupil capacity of 185 pupils. This was since revised due to the requirements of Falkirk Council and the development of the accommodation schedule. This led to an increased GIFA of 6,270m<sup>2</sup>, which Falkirk Council subsequently sought approval from SFT to obtain to the equivalent level of 190 pupils, in line with the SFT metrics.

The cost planning process undertaken by Ogilvie highlighted that the project was unaffordable based on the developed Stage C proposals. As a result, a decision was taken to rationalise certain areas of the design, namely the reductions of 2 classrooms and a review of the swimming pool area, omitting 130m<sup>2</sup> and 84m<sup>2</sup> respectively from the GIFA. This now leaves a confirmed GIFA of 6,100m<sup>2</sup>, on which the Stage 2 design development will now progress. It should be noted that this will be subject to ongoing review during stage 2 as the design and specification evolves, however it will be realigned by RIBA stage D.

Proposals are being put forward by Ogilvie Construction to set up an enabling works contract to provide an opportunity for further exploratory surveys to be carried out on the site, as part of additional risk mitigation measure to determine the required pile bearing within the ground which will provide greater cost certainty during Stage 2 for the substructure works, as this area is identified as currently being high risk. Note that the scope for the enabling works is currently out with the project Affordability Cap.

There is also a requirement to undertake a diversion of the culvert which lies underneath the proposed building footprint. These works have not yet been scoped and costed as part of the enabling works proposals. Confirmation from Falkirk Council will advise whether this is required. Undertaking the enabling works packages should provide earlier cost certainty which will assist in meeting the tight timescales that Falkirk Council are looking to achieve to meet the construction completion date of Summer 2017. Although the Hubco Master Programme identifies the construction completion date of 29th June 2017 it is anticipated with closely working collaboration from all parties an earlier completion may be achievable to meet the participants preferred construction completion date.

At the end of Stage 1, the key deliverables as set by Falkirk Council were;

Affordability Cap **£17,568,000**

Stage 1 Predicted Maximum Cost **£17,567,998 (includes Falkirk Council Design Fees)**

Gross Internal Floor Area (GIFA) **6,100m<sup>2</sup>**

Financial Close **Q1, 2016**

Construction Completion **29th June 2017**

The Delivery Team for Stage 1 is:

Tier 1 Contractor	Ogilvie Construction Ltd
Architect	Falkirk Council Architects
Civil and Structural Engineer	Morgan Sindell Professional Services
Mechanical & Engineering Services	Hawthorne Boyle Ltd
CDM Co-ordinator (to October 2015)	Hardies Property Consultants
Sustainability Assessor	N/A
Fire Engineer	Atelier Ten
Acoustician	Sandy Brown Associates
Landscape Architects	TGP Landscape Architects

The Tier 1 Contractor and Tier 2 Design Team were selected using the East Central hub supply chain selection process. The supplementary Consultants were appointed on the basis of competitive fee tendering and subsequently appointed using the hub Strategic Support Services process.



## **1.1 Design Statement**

Falkirk Council have chosen to utilise their in-house Architectural Resource, which will be supported by Architectural Resource being provided by Morgan Sindall Professional services, which forms an extension to their current Civil & Structural consultancy services being provided on the project.

The project has been developed organically, following input from the Education Dept and the Headteacher and Staff. An accommodation schedule was developed during Stage 1 which outlines the requirements of the school.

At present the Room Data Sheets are being developed by the School and ESA McIntosh providing support to the school. It should be noted that ESA McIntosh are not currently appointed to provide FF&E Services and this will be tendered in accordance with the hub procedures.

The Employers Requirements are effectively being developed from the design, with no document having been formally issued as part of the NPR. It is expected that the Employers Requirements will be formed from the Contractors Proposals, which will provide a high degree of compliance with the Participant finalised Employers Requirements

### **AEDET**

The Achieving Excellence Design Evaluation Toolkit review is a deliverable as part of the hubco Process. This reviews the design in the context of the end user and those managing the Building. The aim is to align the Client/End User/Buildings Managers expectations and ensure that the design fulfils the brief.

An AEDET workshop was undertaken as part of the Stage 1 process, and scored highly in terms of the building being user friendly, easy to navigate and also considerate towards the intended use of the building. A copy of the AEDET review can be found in Appendix D. Another AEDET workshop will be carried out during Stage 2 once the design has further developed, to ensure that the design continues to follow the client requirements and the end users' expectations.

### **Planning**

Confirmation was received that this project would be classed as a major development and therefore had to undergo a Proposal of Application Notice (PAN) consultation period. This commenced on 15th January 2015 and ended on 22nd April 2015. The project has received a small number of objections, however, Falkirk Council are managing these expectations and do not consider that this will present a barrier to development, It has however been raised and recorded as a risk which will be tracked and mitigated through Stage 2.

Based on the Proposed Stage 2 programme put forward, Planning is proposed to be submitted to Falkirk Council on Friday 31st July which is expected to be approved by Committee, given the nature of the project and its associated issues. Ogilvie have planned to set up a tracker which will close out any planning conditions as set, with regular updates to close out all actions as required prior to site commencement, if stipulated. A copy of the planning tracker can be found in the Technical Submission in Section 3 of the Stage 1 Report.

### **Building Warrant**

Ogilvie Construction are preparing a Building Warrant application for the proposed Enabling works package to allow the works to be undertaken during the school holidays providing minimal disruption to Moray Primary School, adjacent to the site.

A separate building Warrant will be developed for the main construction works. The warrant will be staged, with substructure forming the first submission to Building Standards. The enabling works will inform the submission and the intention is submit the warrant at the earliest opportunity to ensure the design falls within the current regulations and not the new regulations which come into effect in October.

This carries a risk of enhanced requirements for the Building, which is likely to have an impact on project cost. This has been recorded as a risk and will be mitigated by ensuring submission at the end of August, prior to the changes in Building Regulations. Ogilvie will also develop a tracker based on closing out any Building Control issues, monitoring these to ensure they are closed out timeously.

### **Sustainability**

Falkirk Council has not opted to pursue an environmental assessment method, such as BREEAM or the Building Standards Specification Standard. Falkirk Council has instead advised that we will be looking to comply with the Building Regulations, whilst attaining the highest levels of energy efficiency available within the scheme design. It should be noted that the SFT do require an environment method to be adopted as a condition of providing the funding. Further clarification provided by SFT advised that a formal statement provided by Falkirk Council confirming the rationale for not pursuing an environmental assessment method will be considered and determined as part of reviewing the funding provision.

The EPC rating for Building will look to achieve B+ before renewables.

## **1.2 Health & Safety Information**

Hardies have been appointed as the CDM Coordinator for the project in accordance with the now superseded CDM 2007 regulations. To ensure compliance with the new 2015 regulations, a Principal Designer will be appointed once the statutory transition period ends on 6th October 2015.

Hardies have undertaken Competency Checks of the Tier 1 Contractor Design Team as required during Stage 1 and will continue to review the design risks and construction information during Stage 2.

The new CDM 2015 regulations which are now in effect require a Principal Designer to be appointed by for the Construction Project. Hardies are appointed by Falkir Council under the Strategic Support Services to undertake duties on behalf of the Client until the end of Stage 2. The regulations provide a transition period to change over to the Principal Designer at 6th October, at which point a Principal Designer will be appointed to continue to undertake the duties as required by the CDM 2015 regulations.

Whilst the Principal Designer Contractor will be responsible for issues in relation to the Design and Construction of the project, Hardies may be required to be retained to continue to advise the Client on how to continue to discharge their duties.

The CDM Coordinator will be responsible for the issue of the F10 to the Health & Safety Executive until such times as the Principal Designer is in place.

### **1.3 Risk Management Strategy**

A Risk Management strategy has been developed in accordance with IMSP 01 Risk Management of the Territory Partnering Agreement.

The Risk workshops were undertaken in order to identify the risks to the project and assess the impact of these risks. A Risk Register has been developed which captures the risks against the current design and procurement strategy.

Where risks cannot be eliminated, a mitigation strategy to manage the residual risks has been recorded within the Risk Register.

An initial risk workshop was undertaken on 2nd April, to ascertain the initial project risks. These risks were generalised project risks which were qualitatively scored as more information was known about the design and became more specific.

A further risk workshop was undertaken toward the end of Stage 1, recording the mitigation measures and also the severity of the risk as more was known about them, these were subsequently costed by the Tier 1 Contractor Ogilvie Construction.

At present the risk stands at just over 4% of the total project costs which will reduce down to 1% at the end of Stage 2, in line with the SFT guidelines. During Stage 2 risk will continue to be managed through regular review as part of the monthly progress meetings and through a series of risk workshops.

A copy of the Stage 1 Risk Register can be found in the Pricing Report as part of demonstrating value for money through adequately capturing the project risks and ensuring that the total project costs can remain affordable by designing out these risks to within 1% of the construction costs at the end of Stage 2.

The risk sum allowance included within the Stage 1 Pricing Report indicates a sum of £843,613.00. As an output of the risk workshops during Stage 1, the following Red, Amber, Green (RAG) risks remain:

- 1 high risk (Red)
- 34 medium risks (Amber)
- 9 low risks (Green)

The red risk is due to the current assumption about the ground conditions on the site. Initial budget quotes from 3 piling Contractors provided a wide variation in piling costs. The decision was taken to take forward the lowest priced piling subcontractor and put the remaining anticipated costs into the risk register. An enabling works packages, which includes carrying out trial piles, to develop the design further. This will serve to provide greater certainty on the ground conditions and allow for the costs to be accurately produced.

This should have the effect of reducing the risk from its current Red status to Amber or Green.

The remaining risks are dependent on developing the design further and based on current assumptions which have been made.

These remaining risks will continue to be managed during Stage 2 through regular reviews as part of the monthly progress meetings pre financial close and post construction.

## **1.4 Legal & Commercial Information**

In discussions with Falkirk Council a number of issues have been advised for inclusion or omission within the DBDA contract. There are also a number of issues which are not applicable to the project these are confirmed:

- No Project Transfer Requirements
- No TUPE issues
- No Tenancy agreements to be considered
- Discussion around allocation of design liability between Ogilvie Construction and Falkirk Council
- Commencement of legal activities as soon as possible to shorten timescales for achieving Financial Close.

Falkirk Council are considering the use of external legal advice to develop the DBDA and another project which is being delivered by East Central hub with similar timescales.

During Stage 2, the Contractor and Consultant Collateral Warranties will be issued to the Tier 1 Contractor and the Design Team for review and acceptance in order to conclude these in advance of Financial Close.

As the Participant, Falkirk Council will enter into the contract with East Central hub, with a subsequent subcontract between East Central hub and Ogilvie Construction.

### **1.4.1 Land Requirements**

A title report was issued by Falkirk Council, confirming any burdens associated with the land. The site is wholly owned by Falkirk Council.

There are no issues within the title which would prevent the construction of the school on the site.

Reference is made to an existing servitude, but is not likely to cause issues at Financial Close.

The information to be contained in Schedule Part 4 of the DBDA Agreement (Land Matters), requires to be agreed by all counterparties.

Schedule Part 5 contains the following sections:

- Title Conditions: This should include any restrictions on the use of any part of the Site. No issues have been advised by the Participant in respect of this
- Reserved Rights: This should include any rights over any part of the Site which have been, or are
- being reserved for the Authority and /or any third party (e.g. right of access, wayleaves). The Council must confirm if any additional rights require to be granted to them which do not currently fall within the scope of the agreement.
- Ancillary Rights: this should include any areas and periods within which the Contractor should have exclusive possession to parts of the Site. It is anticipated additional drafting to allow Ogilvie access to other adjacent Council owned land for access and site accommodation with be included.

#### **1.4.2 Project Agreement**

This contract is intended to be entered into between sub-hubco and the Participant on the Standard Form Project Agreement, Version 2, dated June 2012.

#### **1.4.3 Performance Reporting**

Hub East Central Scotland has not failed in Performance Reporting, demonstrable through regular progress and design team meetings and the issue of progress reports to the Participant.

#### **1.5 Financial Close Programme**

A programme was issued as part of the Stage 1 report for the delivery of the Stage 2 process and subsequently Financial Close.

Following continuous review and discussion with the Contractor, Design Team and Participant the following key dates are provided until; Construction Commencement. The extended programme can be found in Appendix C.

<b>Stage</b>	<b>Activity</b>	<b>Date</b>
Stage 2	Report Submission	14 <sup>th</sup> January 2016
Stage 2	Participant Approval	12 <sup>th</sup> February 2016
Financial Close	Conclude Financial Close	25 <sup>th</sup> February 2016
Mobilisation	Mobilise works	26 <sup>th</sup> February 2016
Construction	Start on site	25 <sup>th</sup> March 2016
Construction	Completion	29 <sup>th</sup> June 2017

## **1.6 Equipment Strategy**

The Equipment strategy has been developed by Falkirk Council and the School management Staff. Falkirk Council have engaged the services of ESA McIntosh, an Fixed Furniture and Equipment (FF&E) provider, who have been providing advisory services to assist Falkirk Council to come up with the Equipment list required to furnish the school, in the absence of developed Room Data Sheets.

The existing school, which serves the pupils was procured using the PFI procurement route, therefore there will be no decant of existing furniture from the existing school. There may be specialist equipment which needs to be transferred, however this will be clarified during Stage 2.

ESA McIntosh proposals are being developed on the basis that all of the FF&E will be brand new. At present an allowance has been set aside to cover this, which will be further developed as more information is supplied. In line with other schools projects, the FF&E will be split out into Group 1, 2 and 3. These being:

- Group 1 – Contractor Supply and Fit
- Group 2 – Client Supply, Contractor Fit
- Group 3 – Client Supply and Fit.

It should be noted that whilst ESA McIntosh are providing advisory services, there will still be a competitive tendering process which will be undertaken at the end of Stage 2. This will ensure that the SFT guidelines are followed; that a minimum of 80% of the value of the total works packages are tendered competitively.

It is likely that the FF&E will be included as part of the finishes table in the project agreement, for review during the construction period, to allow Falkirk Council to make final selection at an appropriate time during construction.

There may also be consideration to include items in the Reviewable Design within the contract to allow some elements to be further designed at an appropriate time during the construction period.

## **1.7 Site Waste Management Plan**

In accordance with hubco procedures, Ogilvie Construction have prepared a draft Site Waste Management Plan. This is required to identify how they can achieve the requirements as outlined within the hub KPI's and ensure they can be delivered in order not to fail the track record testing undertaken.

During Stage 2, the plan will be developed further considering the materials which have been specified and how these can be recycled and any waste minimised. Please refer to Appendix C of this report for the Contractor's Indicative Site Waste Management Plan.

## **1.8 Project Execution Plan (PEP)**

The PEP is located in the Conject data base.

## **1.9 Community Benefits**

A collaborative approach will be taken with Falkirk Council, the first meeting is to be arranged in September 2015. Community benefits targets for this project can be found in section 3.3 of the PEP located in Conject.

## **2.0 Stakeholder Engagement**

Located in section 5 of the PEP. (See 1.8)