

REPORT OF THE LEADER OF THE COUNCIL**LATEST ESTIMATED COST: CLAYFIELDS HOUSE****Purpose of the Report**

1. The purpose of this report is to provide an update of the latest estimated cost for the above project.
2. To approve a variation to the Children and Young People's capital programme.

Information and Advice**Project details**

3. The Scarlet Wing of Clayfields House Secure Unit was constructed around 1970. It is suffering from subsidence for which structural repairs are not considered to be financially viable. Nottinghamshire County Council (NCC) worked with the Department for Education's (DfE) consultants in submitting a bid for the replacement of the Scarlet Wing together with a further proposal to construct a Vocational Unit. It was proposed that the project be delivered in 4 phases
 - Enabling Works
 - Phase 1 – Construction of replacement Scarlet wing
 - Phase 2 – Demolition of existing Scarlet wing
 - Phase 3 – Construction of Vocational Unit
4. The new unit will be funded by a combination of Department for Education grant, County Council reserves and capital allocation.
5. The project will be managed using best practice project management methodology (Prince 2) with project reviews and sign-off at key milestones with all key stakeholders which meet the Gateway Review standards.
6. The Phase 1 works element of the proposed scheme will be built using the East Midlands Property Alliance (EMPA) framework. Under this framework Arc Partnership technical staff will undertake the detailed design work and the construction will be carried out by the successful contractor, for which the Project Team will control costs. Pick Everard have been appointed as Quantity Surveyors. The contracting strategy adopted will allow for competitive tendering of Phase 2 (Demolition) and Phase 3 (Vocational Facility) with Arc managing the demolition contractor directly for Phase 2.

7. The enabling works started on site in September 2016 and completed in January 2017. Phase 1 started on site in February 2017 and it is anticipated that completion will be in February 2018. Phase 2 demolition works will start on site in February 2018 and be completed in April 2018. Phase 3 works will start on site in April 2018 and be completed in March 2019.
8. The latest estimated cost of the building works is set out in paragraph 14 and the fees shown are for all professions involved in the project.
9. The professions involved in this project are:-
 - Architect
 - Landscape Architect
 - Mechanical Engineer
 - Electrical Engineer
 - Quantity Surveyor
 - Structural Engineer
 - CDM Co-ordinator
 - Project Manager

Capital budget implications

10. This project is being funded as follows:

	£
DfE grant	7,867,005
County Council Reserves	700,000
Capital Allocation	587,356
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Total	9,154,361
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11. The DfE grant was approved into the capital programme as part of a report to County Council in July 2016.

The cost received for Phase 1 was significantly over the DfE grant allocation. This was due to:

 - Issues within the submission which were taken up with the contractor, challenged and addressed. This process resulted in a reduction of the contractor's proposed costs by 17%.
 - Discrepancies between the area allowances within the bid submission and what was actually detailed in the agreed design. These discrepancies had unfortunately not been picked up throughout the lengthy bid process, including by the DfE appointed consultants
12. Comprehensive analysis and negotiation has determined that, based on the correct area, the agreed sum now represents value for money. Unfortunately the area discrepancy has been duplicated in Phase 3, resulting in the cost of the project as a whole increasing.

13. As a result of the increased costs of the scheme it is proposed that the Children and Young People's capital programme is varied by £1.3m (£0.7m funded from reserves and £0.6m from capital allocation). The £0.6m capital allocation will be repaid by surpluses made by Clayfields House through income generation over the next five years.
14. The latest estimated costs are as follows:-

Table 1. Total Cost Per Phase

Note: * denotes rounded figure

£	Pre-enabling	Enabling	Phase 1	Phase 2	Phase 3	Total
Building works	208,209	840,230	3,107,099	218,000	3,441,940*	7,815,478
Professional fees	197,791	126,035	466,065	32,700	516,292	1,338,883
Total	406,000	966,265	3,573,164	250,700	3,958,232	9,154,361

Table 2. Profile Of Spend Across Financial Years

£	2015/2016	2016/2017	2017/2018	2018/2019	Total
Works	208,209	1,126,048	3,039,281	3,441,941	7,815,479
Fees	197,791	201,762	690,464	248,865	1,338,882
Total	406,000	1,327,810	3,729,745	3,690,806	9,154,361

Revenue budget implications

15. Any additional premises cost arising from these proposals will be met from within existing revenue budgets of the occupants of the centre.

Other Options Considered

16. To do nothing would have left The County Council with the liability for the repairs to the existing Scarlet Wing. The building is not built to current secure unit standards; in addition the building is suffering from structural movement caused by the heave and shrinkage of the clay sub soil. It is difficult to assess the costs of trying to repair the building. Any attempt at repairs would cause extreme disruption to the operation of the unit. To only complete Phase One (Replacement Scarlet Wing) would leave a redundant and unusable building in the middle of the site which would have a negative impact on the operation of the centre.

Reasons for Recommendation/s

17. The scheme will enable Clayfields House to provide secure care, education and specialist interventions of the highest quality for the most vulnerable and challenging young people.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

19. The new building will provide a purpose built secure 8 bedroom accommodation unit and a vocational education and training unit.

Financial Implications

20. These are set out in the report.

Equalities Implications

21. There are wheelchair accessible facilities within the public areas of the existing buildings in accordance with the County Council Access Policy. However the design of the secure accommodation has been considered by all stakeholders with the safety, security and management of all users balancing the County Council Access Policy with the requirements in the DfE Design Guide for Secure Children's Homes.

Crime and Disorder Implications

22. The proposed site has a number of temporary and permanent secure boundary adaptations during the construction phases and includes the adaptation and extension of the existing CCTV systems. It is designed that the Vocational Building can provide out of hours community use
23. A Pre-Planning Application Neighbour drop in session was undertaken and the views and opinions of the residents were incorporated within the Planning documentation. The approved planning application has been further conditioned to ensure neighbours have a forum to discuss concerns during the construction activities. These forums are held approximately every six weeks and the adjoining neighbours and key stakeholders are advised of construction progress and given the opportunity to raise any concerns for the project team to address.

RECOMMENDATION/S

- 1) To note the latest estimated cost report for the building works as set out in the report.
- 2) To approve the variation required to the capital programme.

Councillor Mrs Kay Cutts MBE
Leader of the Council

For any enquiries about this report please contact –

Constitutional Comments (EP 30.05.2017)

24. The recommendation falls within the remit of the Policy Committee by virtue of its terms of reference.

Financial Comments (GB 26.05.17)

25. The financial implications and requirement for a variation to the capital programme is set out in the report.

Background Papers and Published Documents

26. Report to CAMG – Clayfields House Capital Grants And Further Bids - September 2015.

Report to Corporate Parenting Sub-Committee – Report of The Service Director, Children's Social Care – Clayfields House Rebuild – September 12th 2016.

Electoral Division(s) and Member(s) Affected

27. Ward(s): Stapleford & Broxtowe Central
Member(s): Councillor John Doddy, Councillor John Longdon

File ref.: /SB/SB/06039new

SP: 3214

Properties affected: 06039 - Clayfields House