

CABINET

11 FEBRUARY 2014

GATEWAY 3 CONTRACT AWARD: ABBEY COURT RELOCATION AND EXPANSION – DESIGN AND CONSTRUCTION

Portfolio Holder: Councillor O'Brien, Children's Services (Lead Member)

Report from: Barbara Peacock, Director of Children and Adults

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Summary

This report seeks permission to award a contract to the supplier(s) as highlighted within Section 3.1 of the exempt appendix.

Cabinet approved the relocation and expansion of the Abbey Court School on 26 November 2013. The Cabinet also approved the use to the iESE South East and London construction framework managed by Hampshire County Council and the Abbey Court project was identified as the pilot project to utilise this framework. This report approves progressing directly to gateway 3.

This Gateway 3 Report has been approved for submission to the Cabinet Procurement Board after review and discussion at the Children and Adults Directorate Management Team Meeting on 21 January 2013 and Procurement Board on 22 January 2014.

1. BACKGROUND INFORMATION

1.1 Budget and Policy Framework

This report supports Medway Councils SEN Strategy (2009) in aiming to educate as many children as possible close to where they live and to reduce the number of children and young people being educated outside the Medway area or in independent provision. This is consistent with the Council Plan Priority of 'Children and young people having the best start in life'.

Further to the Cabinet paper of 26 November 2013 – Proposals for Expansion and Relocation of Abbey Court Special School the budget framework is as follows:

Source of Budget	Budget Available	Constraints
Approved Capital provision for SEN Provision	£2.9m	
Targeted basic need grant scheme	£2.4m	Additional 68 places must be made available by Sep 2015
Additional targeted funding – reallocated to Abbey Court	£4.5m	
Schools Forum from DSG reserve provisionally approved	£2m	
	£11.8m	

1.2 Background Information

Medway has agreed the principle that the trend to place children out of area or in independent provision should be reversed where possible and aims to educate as many children as possible close to where they live and to reduce the number of children and young people being educated outside of mainstream or local maintained special schools.

Abbey Court Community Special School is an outstanding school for pupils aged 3-19 with severe learning difficulties (SLD) and profound and multiple learning difficulties (PMLD), and is currently the only school in Medway able to cater for children with these most complex needs. Children at Abbey Court often have significant medical needs; life limiting and life threatening conditions, and over 50% of pupils are in wheelchairs or have mobility aids.

Abbey Court School is located on two separate sites, one in Rainham and the other in Strood, 12 miles apart. Cabinet on 26 November 2013 agreed the relocation of the school and expansion of provision of SLD/PMLD provision at Abbey Court Special School onto the former Temple Boys site (Cliffe Road, Strood) (decision number 197/2013 refers).

The school census at October 2013 showed 141 pupils on roll. There is a requirement to create a minimum of 68 additional places.

1.3 Funding/Engagement from External Sources

See table above. 68 additional places must be provided prior to September 2015 subject of funding of £2.4m from the Education Funding Agency of which 44 places are required to be provided in the nursery, Key Stage 1 and 2, and a further 24 places are required to be provided in the Key Stage 3. This timescale is very tight and is placing significant risk to the programme.

2. PROCUREMENT PROCESS

2.1 Procurement Process Undertaken and Evaluation Criteria

- 2.1.1 Due to the tight timescales on this project a construction framework was approved to be utilised at Cabinet on 26 November 2013. The framework is OJEU compliant, being the iESE South East and London Construction Framework managed by Hampshire County Council (“iESE Framework”). All eight framework providers were invited to tender, three declined to bid. Five providers were reviewed for the Part 1 phase, of which three were selected to proceed to Part 2.
- 2.1.2 The iESE Framework enables contractors to be selected through an additional mini competition at an early stage of the project and assesses availability of resource and capability for the current project. At such an early stage of the project, pre design, the financial element is assessed against example projects that were tendered at the time of acceptance onto the framework. The insurance, overhead and profit costs are fixed at the framework tender phase. The mini competition fixes the design contract fees and also assesses the likely (comparative) costs for construction site overheads and management costs – although these are not fixed until commencement of the construction contract.
- 2.1.3 Part 1 was attributed 30% of the scores; part 2 technical criteria attributed 40% and price element attributed 30%. The pricing is assessed on various elements as detailed in the exempt appendix.
- 2.1.4 At the current time the surveys, design and full feasibility have not been performed and will be covered as a function of the design and development contract.
- 2.1.5 The mini competition has been issued on the basis of a maximum budget of £10m for the design and construction contract with £1.8m being held for payment of internal BDS fees, professional client side team members.

3. BUSINESS CASE AND OUTPUTS

- 3.1 Cabinet approved the relocation and expansion of the Abbey Court School on 26 November 2013.
- 3.2 The contract will deliver the completion of the brief including design and development of all phases of the school to a detailed design level for Nursery to KS1-5 and FE college for 19-25 years on the former Temple School site at Cliffe Road, Strood.

This is based on the students and year group numbers shown below.

Key Stage	Year	Current Role Total	New Capacity
Reception Nursery	N1	2	
	N2	4	
	R	12	4
	Total	18	4
Key Stage 1	1	10	8
	2	9	8
	Total	19	20
Key Stage 2	3	9	8
	4	8	8
	5	12	4
	6	5	8
	Total	34	20
Key Stage 3	7	13	8
	8	10	8
	9	8	8
	Total	31	24
Key Stage 4	10	7	
	11	9	
	Total	16	0
6th Form or College	12	14	
	13	3	
	14	6	
	Total	23	0
Total		141	68

- 3.3 As no feasibility studies or surveys have been performed at this time and will be subject of the design stage, it is yet to be confirmed the exact extent of facilities that will be included in the main construction phase. The school management team and the Children & Adults Directorate will be closely involved with BDS and the Contractor to input to the requirements brief and proposed design.
- 3.4 Based on the current available funding and following the tendering process, the contract will deliver for £10m (including design, surveys, planning and demolition, but excluding internal fees) phase 1 of the construction of the school on the new site. At the present time (prior to any feasibility, surveys, design or planning) it is anticipated and approval is sought for construction of Nursery, Key Stage 1 and 2 facilities and all shared facilities such as sports hall, staff rooms, canteen etc. Additionally, as part of the initial design phase, an options appraisal will be undertaken to explore the possible inclusion of Key Stage 3 facilities as part of phase 1.
- 3.5 The budget will also be managed, within the £11.8m, to include provision of decant/mobilisation costs of the current primary school site and appropriate fixed furniture and equipment (FF&E), Audio Visual and IT equipment for the above.
- 3.6 An additional 68 places are required to be provided within KS1, 2 and 3 for Abbey Court school to release £2.4m of funding from Education Funding

Agency by September 2015. Whilst the KS1 and 2 places are planned to be provided in the newly constructed school –provision of the 24 places for KS3 (and KS4) will be within the environs of the existing school site at the current Strood Rede Court Road site – subject of the design phase.

3.7 Due to tight timescales it is planned, and approval is sought, to perform demolition of the former Temple School buildings during the design phase prior to securing planning permission. The additional cost of performing this at design phase is estimated and shown in the exempt appendix.

3.8 Other Information

School Organisation will endeavour to explore and identify additional sources of capital funding from April 2014 and potential developer contributions that may become available to fund a viable and cost effective Key Stage 3 design option, which could possibly be included as part of phase 1.

4. RISK MANAGEMENT

4.1 Risk Categorisation

The programme for this project is being driven to very tight timescales due to the requirement to provide an additional 68 places in KS 1-3 prior to September 2015. This situation has arisen due to the Education Funding Agency providing late confirmation of award of £2.4m funding for these places.

A number of decisions, which are detailed below, are being taken to improve the programme based on this key requirement. In the event that alternative routes could be established to providing these additional places by September 2015, the risk to the programme and cost pressures would be significantly reduced.

1. Risk Category: Financial	Likelihood: B	Impact: 2
<p>Outline Description: Funding – 68 places</p> <p>Funding of £2.5m is reliant upon the provision of 68 additional places by September 2015.</p>		
<p>Plans to Mitigate:</p> <ul style="list-style-type: none"> • Central government approached to advise whether the completion date of the construction can be moved to April 2016 or Summer 2016. This would be the most cost effective solution as it would help to resolve the timescale related risks described below. • Proposed provision is intended to be provided in the newly constructed school for Nursery, KS1 and KS2. KS3 provision will need to be met through provision at the current Strood school sites. 		

2. Risk Category: Financial	Likelihood: D	Impact: 2
Outline Description: Funding – Maximum budget Phase 1 design and construction to be delivered for £10m.		
Plans to Mitigate: <ul style="list-style-type: none"> • Contractor will be working in partnership and collaboration with Medway Council. The design will be targeted to manage costs within the £10m budget for phase 1 design and construction. 		
3. Risk Category: Contractual Delivery	Likelihood: D	Impact: 2
Outline Description: Integration of CDC (Child Development Centre) <ul style="list-style-type: none"> • At the current time it is planned to sell part of the Temple school building to the NHS for provision of a Child Development Centre. It has been proposed that the development of the CDC is integrated as part of the development of the Abbey Court School at Temple – in a joint venture with the NHS. 		
Plans to Mitigate: Discussions are due to be held in January 2014 with the NHS to explore the viability/non-viability of this approach.		
4. Risk Category: Contractual Delivery	Likelihood: C	Impact: 2
Outline Description: Planning <ul style="list-style-type: none"> • Timescale – 12 weeks has been allowed in the programme for the planning application – any lengthening of this period will delay completion of the school. • Rejection of planning. <ul style="list-style-type: none"> ○ Initial meetings between BDS and the planning team have identified that the level of massing of the building on the site may be considered too high. In addition, the high level of additional vehicles that will be accessing may require two entrances. 		
Plans to Mitigate: <ul style="list-style-type: none"> • Timescales – It is planned that demolition be performed in parallel to the planning. • Rejection of planning – <ul style="list-style-type: none"> ○ amend access lease on CDC to enable dual access to site. Additionally this will have the benefit of enabling access to a greenfield site, which would otherwise become landlocked for potential use for the Abbey Court School. ○ Undertake detailed design and development in parallel with planning. 		

5. Risk Category: Contractual Delivery	Likelihood: D	Impact: 2
<p>Outline Description: Design development time constraint Typically 6 months would be allowed for preparation of project brief and outline design following which planning permission would be sought, subsequently to receive planning approval – detailed design (and demolition) would be undertaken. Due to the timescale pressure on this project it is planned to complete preparation of the brief and outline design in 6-8 weeks and submission of the planning application in late March, with detailed design and demolition to be performed whilst planning is sought.</p>		
<p>Plans to Mitigate: All bidders have detailed a 6 week school engagement programme to finalise the brief and provide initial outline design This is tight but achievable. This will need dedicated resource from school (and C&A services, BDS and Contractor) for a period of approx. one day per week for the 6 weeks to enable the plan to be met in the first instance to enable planning application to be submitted. Demolition to be brought into design phase.</p>		
6. Risk Category: Contractual Delivery	Likelihood: C	Impact: 2
<p>Outline Description: Construction timescales tight Whilst the bidders have indicated that a 52-week construction programme is achievable this is a constrained timescale and any slippages will result in a likely delay of completion of the programme.</p>		
<p>Plans to Mitigate: Demolition is planned to be performed in advance of planning as this is a task on the critical path.</p>		

5. PROCUREMENT BOARD

- 5.1 The Procurement Board considered this report on 22 January 2014 and supported the recommendation as set out in section 8 below.

6. SERVICE COMMENTS

6.1 Financial Comments

- 6.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 7) will be funded from the existing Capital Programme and as detailed in the Cabinet paper 26 November 2013.
- 6.1.2 Further detail is contained within Section 1.1 Financial Analysis of the Exempt Appendix at the end of this report.

6.2 Legal Comments

This works procurement has been undertaken in accordance with the Public Contracts Procurement Regulations 2006 which permits the use of frameworks and allows for mini competitions to be undertaken in accordance with

Regulation 19(9). As this procurement categorised high risk, the decision to make an award is one for Cabinet pursuant to the Council's Contract Rules.

6.3 TUPE Comments

Not applicable

6.4 Procurement Comments

Timescales are very tight on this project and there is a high risk of delays. The risks and mitigations are detailed above. The programme will be managed on a maximum cost basis.

6.5 ICT Comments

ICT currently provide Medway Grid for Learning (MGfL) ICT services to Abbey Court school. These services include circuit provision, broadband services, email and telephony services to the school. Any relocation of premises would therefore require significant ICT involvement within the project as early as possible to ensure that IT services are relocated/provisioned as required to ensure minimum service disruption to the school.

7. RECOMMENDATION

- 7.1 To approve the letting of the contract for design and construction of the Abbey Court School on the former Temple Secondary School site in accordance with para 3.1 of the exempt appendix and achieving the outputs described in Section 3 above for the budget.

8. SUGGESTED REASONS FOR DECISION

- 8.1 As approved by Cabinet for the relocation and expansion of the Abbey Court School on 26 November and in accordance with approved Targeted Basic Need funding from the Education Funding Agency for the provision of 68 additional spaces at Abbey Court School by September 2015.

LEAD OFFICER CONTACT

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BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Relocation and Expansion of Abbey Court School – Cabinet Paper	http://democracy.medway.gov.uk/mgc/onvert2pdf.aspx?id=21905	26 November 2013