

## **CABINET**

**15 FEBRUARY 2011**

### **GATEWAY 1 OPTIONS APPRAISAL: ALL FAITHS' CHILDREN'S COMMUNITY SCHOOL BUILDING PROJECT**

Portfolio Holder: Councillor Les Wicks, Children's Services

Report from: Rose Collinson, Director of Children and Adults

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#### **Summary**

This report seeks approval to the options appraisal for the project at All Faiths Children's Community School to provide improved accommodation for the school and Children's Centre, which is currently insufficient to allow the school to deliver the curriculum for its pupils, including 21 statemented deaf children, and families and community within the area.

#### **1. BUDGET AND POLICY FRAMEWORK**

- 1.1 The project is within the policy and budgetary framework, being consistent with the Council's commitment to provide the best possible teaching and learning spaces, and improvements to community facilities. This project has been classified as high risk, therefore, this is a matter for Cabinet.

#### **2. RELATED DECISIONS**

- 2.1 Education Programme Board which was held on 23 November 2010 discussed the projects identified to receive Primary Capital funding, totalling £14.9m, of which All Faiths was one of the schemes. This scheme was included in the list of projects included in the capital monitoring report to Cabinet on 30 November 2010.

#### **3. BACKGROUND/INTRODUCTION**

- 3.1 A design team has been established to develop the project to RIBA (Royal Institute of British Architects) stage L. This includes the extensive survey works to ensure any risks are managed or mitigated and detailed cost planning has been undertaken. The design is now sufficiently developed to approach construction companies to provide tendered costs. This report

seeks approval to proceed to Gateway 2 to invite tenders for the scheme from contractors selected from the Kent County Council's (KCC) select list of approved contractors.

#### **4. BUSINESS CASE**

##### **4.1 Business Case Summary**

4.1.1 All Faiths' Children's Community School in Strood is a single FE school which also provides for a 60 place integrated foundation stage, 22 deaf children and a Nurture group.

4.1.2 The current accommodation is insufficient for basic teaching and learning and the school is not able to admit their maximum PAN of 273, and this has had to be capped by the Council. Year groups share classrooms and some of the rooms do not meet the minimum requirements; the existing hall has to be used as a circulation route resulting in disruption to learning.

4.1.3 The Children's Centre is based in temporary accommodation in the car park, and has limited planning approval. The unit has insufficient space and is in poor condition.

4.1.4 The main access for pedestrians and vehicles is from Gun Lane, and is shared with the doctors' surgery and the PCT. This access point is extremely hazardous and requires remodelling work to improve safety.

4.1.5 A feasibility study was undertaken in June 2010 and identified the need for a new build Children's Centre, a new hall, 3 new classrooms and internal remodelling of the existing school accommodation, which included improvements to the current kitchen, which is also undersized.

4.1.6 The study has been reviewed to ensure the project delivers the school's immediate priorities, within the budget currently available:

- To deliver the much needed additional teaching space of 3 new classrooms
- To provide a new hall which will not be disrupted by the main circulation of the school
- To demolish the existing Children's Centre and provide a new Children's Centre with improved storage and external learning space
- To allow for a new combined reception area, allowing for a stronger link between the school and Children's Centre
- To provide an extra parking area and a new, safer internal road
- To provide 1 temporary classroom in September 2011, which will be removed following completion of the new extension, thus allowing the school to accept pupils in the new academic year.

##### **4.2 Strategic Context**

4.2.1 The project will support the Council's Primary Strategy for Change, in providing 21<sup>st</sup> century accommodation for high quality teaching and learning.

### **4.3 Whole Life Costing/Budgets**

4.3.1 This is set out in the exempt appendix.

### **4.4 Risk Management**

4.4.1 A copy of the full risk register is set out in appendix A to the report.

### **4.5 Market Testing (Lessons Learnt/Bench Marking)**

4.5.1 The works being undertaken can be offered by a number of quality contractors and good value for money can be obtained by tendering through Kent County Council's contractor framework.

### **4.6 Stakeholders Consultation**

4.6.1 We have worked with the headteacher, governors and the senior management team at the school to develop a scheme that will deliver their aims for this project. Consultation will continue throughout the project.

### **4.7 Other Issues**

4.7.1 Meetings have taken place with Medway Council's ICT team to discuss the impact on existing systems, to ensure interfaces are aligned and there is no adverse impact to the school's ability to deliver the curriculum as a result of the project.

## **5. PROCUREMENT IMPACT ASSESSMENT (PRIMAS)**

- Equalities - the procurement of this project will not have an adverse affect on the equality of access to services at the school. Where possible improvements will be made and all works will be in accordance with the latest legislation on equality of access. The schools service has been subject to a Diversity Impact Assessment through the corporate equalities team.
- Environmental -There will be no adverse environmental impact through the delivery of this project. The school organisation service is applying the principles of the Waste & Resources Action Programme to all its projects to ensure that materials are sustainably resourced and that any waste is recycled responsibly, with waste to landfill at a minimum.
- Local Community and Local Economy – The project provides buildings, which will offer facilities for the local community.
- Health and safety - The procurement of the project will be in accordance with all relevant health and safety legislation and will make improvements as necessary.

## **6. PERMISSIONS / CONSENTS**

- 6.1 Planning application has been submitted and is scheduled to be considered at the Planning Committee on 16 February 2011. An application has also been made to STG Building Control.

## **7. OPTIONS APPRAISAL**

### **7.1 Success Criteria/Key Drivers/Indicators**

- 7.1.1 Improvements to the teaching and learning at the school can be measured through Key Stage results and Ofsted ratings. This would be expected following improvements to the staff and pupils' motivation and improvements also in the outcomes for pupils as part of the Every Child Matters agenda. In 2010 All Faiths' results at KS1 were significantly below the national average in reading, writing and mathematics at L2B+. Similarly attainment at KS2 shows that results in English and mathematics are also below the national average. This is based on data dated 04/01/2011. Investment in the new building and facilities for the school community will enable the school and Governing Body to achieve better outcomes for pupils.

- 7.1.2 Improvements to pupil attainment are currently measured by the following national indicators but these may change as Government policy develops:

**NI 73** - Percentage of pupils achieving L4+ in both English and mathematics

**NI 76** - Reduction in number of schools where fewer than 55% of pupils achieve L4+ in both English and mathematics

**NI93** - Progression by 2 levels in English between KS1 and KS2

**NI94** - Progression by 2 levels in Maths between KS1 and KS2

**NI99** - Children in Care reaching level 4 in English at Key Stage 2

**NI100** - Children in Care reaching level 4 in Maths at Key Stage 2

**NI102a** - Attainment Gap FSM/non FSM Key Stage 2 inc English and Maths

**NI104** - Attainment Gap SEN/non SEN Key Stage 2 inc Eng and Maths

### **7.2 Options**

- 7.2.1 Procurement options considered for this project are two stage design and build and single stage tender on specification and drawings with a standard form of JCT contract. There will be an enabling package undertaken to address immediate needs in relation to building services and utilities. This will ensure the school will continue to be operational throughout the main contract period. The building contract will then address the teaching and learning requirements.

#### **7.2.2 Two stage design and building contract:**

This option transfers the risk for design to the contractor, but it does mean that there are more programme risks in terms of managing approvals and sign off by the school.

### 7.2.3 Single stage tender on specification and drawings with a standard JCT contract:

This option means that the design team will fully specify the solution prior to inviting tenders. This option enables more certainty on cost, as the design is not likely to vary post-tender unless something unforeseen occurs and this will be managed via the formal contractual variation process.

## 7.3 Preferred Option

7.3.1 The preferred option is a single stage tender using the JCT Standard Form of Contract. This will provide the Council with certainty on cost following the tender exercise.

## 8. PREPARATION OF THE NEXT STAGE OF PROCUREMENT

### 8.1 EU Implications

8.1.1 The proposed procurement methodology of utilising the KCC select list of approved contractors, to subject this requirement to a tender process, in line with Medway's Contract Rules will ensure a robust and compliant procurement process is adhered to. The estimated value of the project falls below the current EU Works procurement threshold of £3,927,260 and therefore is not subject to the full application of the EU procurement regulations. The procurement will be subject to a tender process in line with Contract Rules and in accordance with the protocol of the KCC select list of approved contractors and will ensure that the EU treaty principles of transparency, fairness and equal treatment are upheld. A clear and concise approach to evaluation is encompassed with the Gateway 2 documents and the School Organisation service will seek advice and support from Strategic Procurement accordingly. Appendix B is a programme timeline including all the procurement stages.

8.1.2 Consideration has been given to procurement via other frameworks such as IESE. However due to the lower value of the contractor sum, Building & Design Services have advised better value for money can be obtained through competition with contractors on the KCC's select list of approved contractors.

### 8.2 Resources and Project Management

8.2.1 The project will be managed by Bailey Partnership, who were commissioned through Medway Council's Building & Design Services. The design team have been commissioned from consultants on the KCC framework. The details of the fees payable for the project are set out in the exempt appendix.

### 8.3 Contract Management

8.3.1 The contract will be managed and monitored via Building & Design Services.

Progress reports will be presented to Education Programme Board at key milestones. The financial monitoring will be completed by the School Organisation Team and reported to Members through the capital monitoring reports to Cabinet.

## **9. COMMENTS OF THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICES**

- 9.1 The project supports the Council's strategy to provide improved accommodation for the school and Children's Centre, which is currently insufficient to deliver the curriculum for its pupils, including 21 statemented deaf children, and families and community within the area.

## **10. PROCUREMENT BOARD**

- 10.1 The Procurement Board considered this report on 19 January 2011 and supported the recommendations set out in paragraph 12 of this report.

## **11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS**

- 11.1 Comments from the Section 151 Officer:  
The costs for this project are being met from the Capital Programme. £14.9 million has been approved for Primary Strategy projects, of which this is one. The construction budget is capped and should tenders come in above the budget sum, the design team will work with the school to carry out a value engineering exercise to bring the scheme within budget.
- 11.2 Comments from Strategic Procurement:  
The maximum value of the proposed procurement project is below the EU Works threshold, currently set at £3,927,260.00 and therefore, is not subject to the full application of the EU procurement regulations. The proposed delivery through the KCC Select List is a compliant methodology for below the EU threshold and is supported by Strategic Procurement, subject to the client department ensuring that the EU treaty principles of fairness, transparency and equal treatment are adhered to and adherence to the new contract procedure rules is assured in respects to tendering principles at Gateway 2.
- 11.3 Comments from the Monitoring Officer (or designated deputy)  
As the contract value is below the EU procurement threshold for works, the procurement of the project will primarily be subject to the Council's Contract Rules. Generally speaking these Rules require a competitive tendering process to be undertaken. EC case law now suggests that some form of advertising of requirements should take place in all instances regardless of contract value or any need to place a Notice in the OJEU. Where the contract value is below the EU procurement threshold it may be appropriate to use an approved or select list of contractors from which a tender list can be drawn. The proposal is to use KCC's select list of approved contractors. The contractors on this list will have been selected after advertisements in the appropriate trade journals and a process of evaluation that would have considered the financial stability and technical competence of contractors applying to be included in the list. In all cases the procurement should be

subject to the overriding requirement to secure value for money for the Council.

## **12. RECOMMENDATION**

- 12.1 The Cabinet is asked to approve the project to proceed to Gateway Two – Competitive Process, on the basis set out in paragraph 7.3.1 of this report (JCT Standard Form of Contract).

## **13. SUGGESTED REASONS FOR DECISION(S)**

- 13.1 The new facilities are required to enable the school to deliver the quality of curriculum offered for the key subjects as described in the business case section of the report and the capital programme approved by Cabinet in February 2010 includes funding for the project.

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## **BACKGROUND PAPERS**

Prioritisation of Education Capital Programme – EPB 25/10/2010  
Location – W Drive EPB Papers 251010

All Faiths Project Options Appraisal 25/11/2010  
Location – W Drive Live Projects 9X832 All Faiths 251110





## All Faiths CP School Risk Register

No	Category	Risk Identification	Impact	Date Identified	Risk Owner	Likelihood (1-5)	Impact (1-5)	Risk Score (L x S)	Risk Ranking	Contingency and Mitigation Action	Date Last Updated	Action Owner
1	Budget	Contractor Tenders returned higher than estimated. Pre-tender estimate higher than expected.	Programme delayed whilst scheme is reduced / value engineered	09/07/10	Client	3	4	12	High	Accurate Pre-Tender estimates to be prepared by the Q.S. Carry out value engineering with preferred contractor.	08/12/10	All
2	Programme	Planning permission not granted or planning conditions not discharged.	Programme delayed until a new application is approved	09/07/10	Client	3	3	9	Medium	Pre-application consultation meetings held with local authority planning dept.	08/12/10	Lead Architect / Project Manager
3	Building	Scope of works not fully understood	Expectations raised unnecessarily. Client not satisfied.	09/07/10	Client	1	4	4	Low	Lead Architect to go through specification with school and SW to ensure scope is understood and expectations are met. School to sign off spec.	09/08/10	Lead Architect
4	Building	Scope / Specification Change	Introduction of changes will increase programme, Construction cost and professional fees	09/07/10	Client	1	4	4	Low	All changes to be approved through the change control procedure managed by JE.	09/12/10	ALL
5	Contract	Contract docs not signed before construction commences	Works do not commence on programme	09/07/10	Client	3	3	9	Medium	Medway legal and QS to work together to agree terms and conditions. PM to indicate clearly to Medway the key dates for execution of contract.	08/12/10	QS, PM & Medway Legal
6	Programme	Asbestos programme delays start & delivery of project	Delays commencement of main contract and completion date	09/07/10	Asbestos Consultant	1	4	4	Low	Early identification of Asbestos material via surveys. Scope of works to be produced and Removal of any asbestos material to come under the main contractor.	09/08/10	Project Manager
7	General	Project Team members change	Project loses momentum as new person gets up to speed.	09/07/10	All	2	2	4	Low	All project information to be up to date to allow succession of info if other persons are required to take over project	09/08/10	Project Manager / All
8	Budget	Variations in budget allocation results in additional design time incurred by consultant team	Additional cost (fee's) to project	09/11/10	Client	1	4	4	Low	Additional funding secured from Primary Capital funds. Consultant claims issued immediately upon realisation of incurred cost. Value engineer project.	09/11/10	ALL
9	Health & Safety	Construction works in close proximity to pupils, staff & visitors	Disruption, Injury or worse	08/12/10	Client	2	4	8	Medium	Contractor to provide clear and concise health & safety procedures / measures, with close liaison with the school. CDM-C to ensure reasonable measures have been taken by all.	08/12/10	ALL
10	Budget	Contract contingency is insufficient to cover unforeseen additional works identified during the contract period.	Additional funding required or items of remaining project omitted / amended.	08/12/10	Client	2	5	10	Medium	QS to allow suitable % allowance and scrutinise variation costs thoroughly.	08/12/10	ALL
11	Programme	Historic site may uncover below ground obstructions which delay works	Delay and costs	08/12/10	Client	3	5	15	High	Thorough site investigations carried out to mitigate the risk as far is reasonable practicable.	08/12/10	ALL



## Appendix B

**All Faiths' Children's Community School Project - Programme Dates**

<b>Task Name</b>	<b>Duration</b>	<b>Start</b>	<b>Finish</b>
Budget Approval	1 day	6 Sept 2010	6 Sept 2010
Appoint Design Team	15 days	27 Sept-10	15-Oct-10
QS Cost Check	5 days	18 Oct -10	22 Oct -10
Site surveys and investigations	5 days	11 Oct -10	15 Oct -10
Prepare Planning Applications	30 days	27 Sept -10	5 -Nov-10
School Sign Off Design	1 day	15 -Oct -10	15 -Oct -10
QS Cost Check	5 days	8 -Nov-10	12 -Nov-10
Medway Budget & Procurement Approval	1 day	15-Nov -11	15- Nov - 11
Planning Determination Date	1 day	28 -Feb-11	28-Feb-11
Appoint Remaining Design Team	13 days	15-Nov-10	01-Dec-10
Detailed Design, Spec & Drawing Preparation, Schedules of Work	65 days	15-Nov-10	11-Feb-11
Submit Building Regs Application	1 day	17-Jan-11	17-Jan-11
Qs compiles Tender Pack & Pricing Schedule & Completes PTE	10 days	14-Feb-11	25-Feb-11
Procurement Board 1 - Gateway 1	1 day	19-Feb-11	19-Feb-11
Cabinet Meeting 1- Gateway 1	1 day	15-Feb-11	15-Feb-11
Tender Period	25 days	07-Mar-11	8-Apr-11
QS Completes Tender Report	10 days	11-Apr-11	22-Apr-11
Value Engineering with Preferred Contractor	5 days	25-Apr-11	29-Apr-11
Procurement Board 2 – Gateway 3 (date tbc)	1 day	11-May-11	22-May-11
Cabinet Meeting 2 – Gateway 3 (date tbc)	1 day	21-June-11	21-Jun-11
Place Contract / Contractor Mobilisation	18 days	29-Jun-11	22-Jul-11
Contract Period	145 days	25-Jul-11	10-Feb-12
Mobile Classroom and Enabling Works	20 days	1-Aug-11	26-Aug-11