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DATE: 19 October 2015

## **EDUCATION BUDGET SUB-COMMITTEE**

**Meeting to be held on Tuesday 20 October 2015**

**Please see the attached additional appendix and report marked “to follow” on the agenda.**

**5 EDUCATION PORTFOLIO BUDGET MONITORING 2015/16 (APPENDIX 4)**  
(Pages 3 - 4)

**8 EDUCATION PORTFOLIO INFORMATION ITEMS**

**8b CONTRACT MONITORING REPORT (Pages 5 - 12)**

*Copies of the documents referred to above can be obtained from*  
<http://cds.bromley.gov.uk/>

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**ITEM 5: EDUCATION PORTFOLIO BUDGET MONITORING 2015/16****Further details regarding the Supplementary Estimate request for Adult Education**

- 1.1. During 2015/16, the Adult Education service has taken several actions to help contain the overspend resulting from the reduction in grant funding from the Skills Funding Agency for 2015/16, including the further in-year reduction of £68k that was announced in July 2015.
- 1.2. By keeping vacant posts unfilled and reducing the hours of admin assistants, caretakers and cleaning staff, a total saving of £119k has been achieved.
- 1.3. In addition, sessional staff hours have been reduced relating to the in-year grant reduction for ESOL, achieving a saving of £50k on staff costs and £18k on exam fees.
- 1.4. By reducing the amount of copies of the prospectus that are printed, and ceasing the distribution in local newspapers, a saving of £14k has been realised, and a further £3k saved on other miscellaneous supplies and services.
- 1.5. Poverest Nursery was closed in July 2015, and although this only achieved modest ongoing savings, it saved at least £10k in repair costs that would have had to be undertaken.
- 1.6. The recharge for use of rooms at the Widmore Centre by the Workforce Development and Governor Services teams has been increased to be more in line with the other lettings. This would not normally be seen as a saving as it just transfers the costs to another service, however in this case the service is part-funded by DSG and trading income so this does result in an overall net saving.
- 1.7. Although the above actions have been taken to address the overspend, any significant changes to the service cannot be completed in the short term. To this end a consultation paper was released on Friday 16<sup>th</sup> October 2015 detailing the proposal to effect a significant restructure of the Adult Education service from September 2016.
- 1.8. The overall proposal results in net full year savings of around £586k which will offset the majority of the grant reductions, and result in an overall full year net service budget of around Cr £400k, compared to the current Cr £600k budget i.e. this would reduce the current projected overspend of £382k in 2015/16 to around £200k in 2017/18, with part year reduction in 2016/17.
- 1.9. Full details of the proposed restructure and the results of the consultation will be reported back to members in due course.
- 1.10. As all action has been taken to reduce this in-year, a supplementary estimate is required recognising that these proposed changes cannot be implemented in the current financial year.

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London Borough of Bromley  
PART 1 - PUBLIC

Briefing for Education Budget Sub-Committee  
Tuesday 20th October 2015

## EDUCATION, CARE & HEALTH SERVICES CONTRACT REPORTS – EDUCATION CONTRACTS

Contact Officer: Wendy Norman, Procurement and Contract Compliance Manager, Education & Children's Social Care  
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Chief Officer: Lorna Blackwood, Assistant Director, Commissioning, Education, Care & Health Services

### 1. Summary

- 1.1 The Executive and Resources Policy Development and Scrutiny (PDS) Committee has agreed a template report for London Borough of Bromley Contracts. The report details the current status of all contracts with a whole life value of £200k or more, with all relevant contracts identified from the Contract Register.
- 1.2 Executive and Resources PDS recommended that the PDS Committee for each portfolio reviews the Contract Register report relevant to their portfolio, providing any comments as appropriate.
- 1.3 The Contract Register report for all contracts relevant to the Education Portfolio is included as **Appendix One** to this paper. In addition, the paper provides a brief update on planned contract activity over the next six months.

### 2. The Briefing

- 2.1 **Appendix One** details all current contracts relevant to the Education Portfolio with a whole life value of £200k or more.
- 2.2 Monitoring of the contracts is the responsibility of the relevant service team within the Education division of the Education, Care & Health Department.
- 2.3 A significant number of contracts will continue to be let during the next six months to support the sufficiency agenda for primary school places. These contracts for capital works will be funded through the Basic Needs Capital Grant and will be covered in a separate report.
- 2.4 The Procurement and Contracts Compliance Team is also supporting the Education Market Testing initiative, which is being undertaken using the Competitive Dialogue Process. Detailed proposals submitted at the ISDP stage are currently being evaluated.

- 2.5 A Dynamic Purchasing System is in place to facilitate the procurement of School Improvement and School Support Officers, Supply Teachers for Behaviour Service and Tutors for Looked after Children. This has introduced a wider range of potential providers who are competing for the opportunity to deliver these services.
- 2.6 The new Public Contracts Regulations 2015, which put EU Directives into UK law, has meant significant changes to tendering exercises undertaken within ECHS. The distinction between Part A Services (which were subject to the full rigour of the EU procurement rules) and Part B Services (including education, care and health services, which only required a Contract Award Notice to be published at award stage for service contract above £172k) has been removed – Education Care and Health services (as identified in the Regulations ) are now covered by the 'Light Touch Regime' (LTR). This change has necessitated:
- staff in the ECHS Procurement Team being trained on the new regulations and associated guidance, in liaison with Corporate Procurement, and
  - changes to the Council's own Contract Procedure Rules and Financial Regulations, on which refresher training for the team will be required.
- 2.7 The Procurement Team has developed and adopted a work plan based on work arising from all contracts due to expire during the next three years. It also outlines the strategy to be adopted for commissioning, the responsible commissioner and key milestones. A traffic light mechanism is used to assess the current status of each project and any projects with red status are reported to fortnightly divisional management team meetings and quarterly to the ECHS Departmental Management Team. A red status to a project might be allocated for example when there is slippage in a project timeline resulting from an unexpected lack of interest from the market for a tender. Commissioners and Procurement and Contract Compliance staff implement recovery plans for projects with red status alerts in order to ensure that the department operates within financial regulations. There are no issues on Education projects which give rise to any concerns.

APPENDIX 1  
EDUCATION BUDGET SUB-COMMITTEE

\* A new Contracts Register service hosted by Bravo Solutions is now in place and thus the old and new contract reference numbers are quoted here

Legacy CRS ID *	Bravo Contract Code *	Service Title	Suppliers	Total Contract Period To Date (inc extensions taken)	Duration Years	End Date (inc extensions taken)	Contract Total Value £	Original Contract Annual Value £	No of Waivers	Value of Contract Waivers Approved	No of Variations / Extensions	Value of Variations / Extensions	Annual Budget £	Annual Projected £	Cost Difference £	Comments
N/A	ecm_21941	Education - Construction - Stage 1 Tender for 1.5 to 2FE Expansions at St George's and Scotts Park Primary Schools	ISG Construction Ltd	4	0.33	31-Dec-15	£252,025	£252,025	0	£0	0	£0	£252,025	£252,025	£0	One -off building contract. Contract approved by AD 28 Aug 2015 following tender exercise, for Stage 1 tender. St George's £113,135 Scotts Park £138,890
Contract-054721	ecm_3337	Education - Construction - Emergency H&S Works at Burwood PRU	Stonegrove Ltd	14	1.17	28-Feb-16	£368,836	£368,836	0	£0	0	£0	£368,836	£368,836	£0	One-off building contract. Waiver approved by Portfolio Holder 16 Dec 2014, to enable emergency H&S works, having undertaken similar emergency works at another school.
Contract-054828	ecm_3335	Education - Construction Works for Single Class Expansion with Accommodation and External Works at Keston CE Primary School	Built Offsite Ltd	24	2.00	11-Mar-16	£596,005	£596,005	0	£0	0	£0	£596,005	£596,005	£0	One-off building contract. Contract approved by Director 06 Jan 2014, following mini-competition from Lewisham Framework.
N/A	ecm_21538	Education - SIPS Support to Multiple Pre-schools and Nursery Settings	Multiple Pre-schools and Maintained Nurseries	12	1.00	31-Mar-16	£225,700	£225,700	0	£0	0	£0	£225,700	£225,700	£0	Children attending pre-school and nursery settings may be allocated additional support for their special educational needs. This funding is paid directly to the pre-school or nursery to purchase the additional support required. The funding per child is typically up to £5,800 per annum or less.  Because the funding is paid directly it is a direct contract and requires authorisation to exempt from competitive tendering. Competitive tendering is obviously inappropriate as it is the parent/child choice as to which facility is used and the funding follows the child.  A block exemption request to cover small value contract awards to multiple providers for all Inclusion Support allocations is completed in advance of the financial year. This has been done on an annual basis. Individual authorisations for each award are not practical due to the volume throughout the year.

Legacy CRS ID *	Bravo Contract Code *	Service Title	Suppliers	Total Contract Period To Date Months (inc extensions taken)	Duration Years	End Date (inc extensions taken)	Contract Total Value £	Original Contract Annual Value £	No of Waivers	Value of Contract Waivers Approved	No of Variations / Extensions	Value of Variations / Extensions	Annual Budget £	Annual Projected £	Cost Difference £	Comments
N/A	ecm_21608	Children's - BCP Approved Provider List 2015/16 for Early Intervention and Prevention Services	Academy Training and Consultancy Ltd; Advocacy for All; Be Totally You; Behaviour Matters; Boogie Mites UK Ltd; British Red Cross; Bromley Adult Education College; Bromley Healthcare Community Interest Company Ltd; Bromley Mencap; Bromley Women's Aid; Bromley Y; Burgess Autistic Trust; Child Communication; Chrysalis Art Psychotherapy; CXK; Diving for Development Ltd; DSM Assessment & Training; Fleet Education Services Ltd. T/A Fleet Tutors; Greenwich Association of Disabled People (GAD); Gymboree Bromley; JudyK; Little Fingers Baby Classes; Maria Ako; National	12	1.00	31-Mar-16	£219,290	£219,290	0	£0	0	£0	£219,290	Dependent on usage	£0	The Approved List is refreshed each December and re-tendered Feb/Mar. Current provision is provided via BCP Preferred Provider List of 43 organisations, approved by AD 22 Apr 2015. Services are commissioned for no longer than one year as required, with values below the £200k threshold. Commissioning is revised to match the annual budget. 2015/16 budget dependent on service usage. Work is progressing on schedule to ensure that the service is re-tendered in February 2016.
Contract- 055328	ecm_3342	Education - Construction of New Reception Class at Churchfields Primary School	Parfit Ltd	16	1.33	30-Jun-16	£348,372	£348,372	0	£0	0	£0	£348,372	£348,372	£0	One-off building contract. Contract approved by Director 03 Mar 2015 following tender process.
Contract- 051074	ecm_3205	Education - Framework for Bromley Flexible Learning Programme	Academy21 Blingz Bromley College of Further and Higher Education Croydon IT Training Centre Educ8 Shears Academy Springboard Bromley <i>[no longer trading]</i> Streetvibes Youth Top Line Therapists Academy Wizeup	35	2.92	31-Jul-16	£761,923	£357,000	0	£0	2	£446,290	£170,720	£170,720	£0	Due to the uncertainty of the continuation of this programme and the ongoing review of the Behaviour Service, approval was given by the Portfolio Holder for provision as a Framework for a year. Appointments to Framework following tender approved by Director 29 Jul 2013. Values quoted are estimated and overall budget figures. Extension to 31 Jul 2015 approved (Director 23 Jul 2014); £100k virement for BAP approved by Director & Portfolio Holder 25 Sep 2014. Final extension to 31 Jul 2016 approved by Education PDS 08 July 2015 (report no. ED15093). 2013/14: £315,926 2014/15: £275,277 2015/16: £170,720. The contracts are expected to end at the end of this period as this service will no longer be purchased by the Council.
Page 8 Contract- 053032	ecm_3340	Education - Construction of Temporary Classrooms and Ancillary Building Works at Clare House and James Dixon Primary Schools	Elliott Group Ltd	26	2.17	30-Aug-16	£248,047	£226,207	0	£0	1	£21,840	£248,047	£248,047	£0	One-off building contract. Contract approved by Director 10 Jun 2014 following tender process. Contract completion date 10/11/14 due to additional hold up of contractor completing outstanding works. Variation/extension agreed by AD 9 Jun 2015, extending by 1 year and adding £21,840. contract will remain open until both temp class rooms are removed from site - Clare House summer 2015 and James Dixon in summer 2016.
Contract- 055356	ecm_3345	Education - Construction Works at Bromley Road Primary School	Neilcott Construction Ltd	17	1.42	30-Aug-16	£720,612	£720,612	0	£0	0	£0	£720,612	£720,612	£0	One-off building contract. Contract approved by Director 09 Mar 2015 following tender process.



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Contract-055354	ecm_3192	Education - Construction of New Modular Nursery at Churchfields Primary School	The McAvoy Group Ltd	14	1.17	31-Aug-16	£378,747	£378,747	0	£0	0	£0	£378,747	£378,747	£0	One-off building contract. Contract approved by Director 03 Mar 2015 following tender process. Contractor due on site 22 Jun 2015 and due to complete end of Aug 2015; defects liability ends 31 Aug 2016.
N/A	ecm_21726	Education - Construction - Urgent Refurbishment at Royston Children & Family Centre	Stonegrove Ltd	16	1.33	31-Aug-16	£426,220	£426,220	0	£0	0	£0	£426,220	£426,220	£0	One-off building contract. Waiver approved by Portfolio Holder 10 Jun 2015, to enable urgent works to facilitate move from James Dixon Primary School.
N/A	ecm_21942	Education - Post-16 FE SEND Placements to Multiple Independent Specialist Providers for the Academic Year 2015/16	Foxes Academy Hereford College Lufton College Nash College National Star College Orchard Hill College St Elizabeth's College St Piers College Treloar College Westgate College	12	1.00	31-Aug-16	£3,561,198 (total, of which £496,411 is funded by the EFA, £3,064,787 is funded from DSG)	£3,561,198 (total, of which £496,411 is funded by the EFA, £3,064,787 is funded from DSG)	0	£0	0	£0	£3,220,730	£3,064,787	£-155,943	Placements are reviewed and adjusted annually dependent on student needs which excludes the potential for competitive tendering and entering into longer term contracts with providers. Exemption from tendering is authorised by annually. £3,561,198 total, of which £496,411 is funded by the EFA and £3,064,787 is funded from DSG. The £3,561,198 is split over financial years as follows: 2015/16 £2,043,192 2016/17 £1,021,595
N/A	ecm_21727	Education - Construction - UIFSM Kitchen Shutter & Fire Alarm Compliance at Bromley Schools & Academies	Stonegrove Ltd	14	1.17	01-Sep-16	£699,847	£699,847	0	£0	0	£0	£699,847	£699,847	£0	One-off building contract. Contract approved by PH 17 Jun 2015 following tender process.
N/A	ecm_21613	Education - Construction Works at Parish CoFE Primary School	Module-AR Ltd	19	1.58	11-Sep-16	£2,439,453	£2,439,453	0	£0	0	£0	£2,439,453	£2,439,453		One-off building contract Contract approved by Executive 14 January 2015 following tender process.
N/A	ecm_21614	Education - Construction Works at Midfield Primary School	Lakehouse Construction Ltd	17	1.42	30-Sep-16	£720,612	£720,612	0	£0	0	£0	£720,612	£720,612	£0	One-off building contract. Contract approved by Director 23 Apr 2015 following tender process.
N/A	ecm_21615	Education - Construction Works at Hawes Down Junior School	TAG Construction (UK) Ltd	17	1.42	30-Sep-16	£709,490	£709,490	0	£0	0	£0	£709,490	£709,490	£0	One-off building contract. Contract approved by Director 23 Apr 2015 following tender process.
N/A	ecm_21786	Education - Construction Works at Charles Darwin Academy and Valley Primary School	Neilcott Construction Ltd	15	1.25	31-Oct-16	£934,745	£934,745	0	£0	0	£0	£934,745	£934,745	£0	One-off building contract. Contract approved by AD 03 Jul 2015 following tender process.
N/A	ecm_21730	Education - Construction - Enabling Works Package at Beacon House	Randall Contracting	15	1.25	10-Nov-16	£485,068	£485,068	0	£0	0	£0	£485,068	£485,068	£0	One-off building contract. Contract approved by AD 19 Jun 2015 following tender process. Start delayed from July to September. Includes 12 month defects liability period.
Contract-053931	ecm_3392	Education - Construction Works to Expand from a 2FE to 3FE at Worsley Bridge Primary School	Built Offsite Ltd	24	2.00	29-Nov-16	£3,607,599	£3,607,599	0	£0	0	£0	£3,607,599	£3,607,599	£0	One-off building contract. Contract approved by Executive 15 Oct 2014 (Report ED15106), following direct call-off from Lewisham Framework.
Contract-053930	ecm_3390	Education - Construction of New 2FE Primary School and Ancillary Works inc. Demolition of Existing School at Clare House	Built Offsite Ltd	24	2.00	01-Jan-17	£5,462,187	£5,462,187	0	£0	0	£0	£5,462,187	£5,462,187	£0	One-off building contract. Contract approved by Executive 15 Oct 2014 (Report ED15106), following direct call-off from Lewisham Framework.
N/A	ecm_21729	Education - Construction - Hall Extension with Hygiene Room, 2 Class Extension, Car Park Works at Unicorn Primary School	Bolt & Heeks Ltd	18	1.50	01-Jan-17	£896,208	£896,208	0	£0	0	£0	£896,208	£896,208	£0	One-off building contract. Contract approved by CE 17 Jun 2015 following tender process.

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Contract-053818	ecm_3452	Education - Intensive Supervision and Surveillance (ISS)	NACRO	36	3.00	31-Mar-17	£215,184	£71,728	0	£0	0	£0	£71,728	£71,728	£0	New contract approved to March 2017 by Education PDS (report ED15101 - typo in recommendation; see 3.2.7); award of the new contract was delayed by a late agreement of the contract price which, at the request of the Council, NACRO have held at the previous year's level.  (History: Contract approved for 2 years by exemption in 2011 which included authorisation for option to extend for one year. Extension option of one year approved at Education PDS January 2013. Contract allows for CPI increases, however CPI not approved to date).
Contract11486	ecm_3641	Education - Development of young people in Bromley's musical abilities	Bromley Youth Music Trust	120	10.00	31-Mar-17	£5,180,975	£350,440	0	£0	0	£0	£290,440	£290,440	£0	Previously, the Department for Education Music Grant was routed through LBB and included in the contract value for this provision. From 2012/13, this funding passed directly to the provider from the Arts Council. The budget reduced further in 2013/14 and again in 2014/15 following agreement by Members to reduce the Bromley funding by £40k and £20k respectively.
Contract-051861	ecm_3409	Education - Consultancy Services - Multi-Disciplinary Lead Consultancy for expansion works at the Glebe	Pick Everard	40	3.33	30-Apr-17	£241,019	£230,469	0	£0	0	£0	£241,019	£241,019	£0	Contract approved by Director 16 Dec 2013, following mini-competition process from Haringey Framework. Demolition works complete. Main contract awarded with start of site 22 June 2015. End of construction contract revised to April 2016. Pick Everard's consultancy services will therefore end April 2017. Retention of 2.5% of fee will be held April 2016 to April 2017. Fee increase due client request design changes & EA services.
N/A	ecm_21866	Training - Step Up To Social Work Project	Royal Holloway, University of London	22	1.83	30-Apr-17	£282,282	£153,972	0	£0	0	£0	£153,972	£153,972	£0	Contract approved by Care Services PDS on 23 Jun 2015 (report CS15023) following tender process, for 22 months with option to extend for a further 22 months. Year 1 £153,972 (12 months) Year 2 £128,310 (10 months)
N/A	ecm_21699	Education - Construction of Modular Accommodation at Malcolm, Midfield, Scotts Park and Worsley Bridge Primary Schools	Built Offsite Ltd	28	2.33	31-Aug-17	£370,500	£370,500	0	£0	0	£0	£370,500	£370,500	£0	Waiver approved by Executive 19 Jun 2015 (Ref EDD15029), to vary contract.
Contract-050083	ecm_3521	Education - Consultancy Services - Project Management and Employer's Agent re new modular building and int/ext works at Princes Plain Primary School & Bishop Justus Secondary School	Bailey Partnership	43	3.58	30-Sep-17	£314,085	£115,050	0	£0	1	£177,035	£314,085	£314,085	£0	Contract approved by Director 30 Jan 2014, following mini-competition process from Lewisham Framework. Variation agreed by Director 24 Oct 2014 (adding £177,035k to original fee). Further variation approved by AD 29 Jun 2015 (adding £22k).
Contract-052856	ecm_3514	Education - Consultancy Services - Project Management and Employer's Agent Services in support of the Expansion at Oaklands Primary School	Bailey Partnership	40	3.33	30-Sep-17	£251,000	£226,000	0	£0	1	£25,000	£251,000	£251,000	£0	Contract approved by Director 08 May 2014, following mini-competition process from Lewisham Framework. Variation agreed by Director 11 Jul 2014 (adding £25k to original fee) to undertake specialist surveys in support of the planning application.

Legacy CRS ID *	Bravo Contract Code *	Service Title	Suppliers	Total Contract Period To Date Months (inc extensions taken)	Duration Years	End Date (inc extensions taken)	Contract Total Value £	Original Contract Annual Value £	No of Waivers	Value of Contract Waivers Approved	No of Variations / Extensions	Value of Variations / Extensions	Annual Budget £	Annual Projected £	Cost Difference £	Comments
Contract-053897	ecm_3427	Education - Consultancy Services - Project Management and Employer's Agent re new school buildings and int/ext works at 4 no. Schools	Bailey Partnership	35	2.92	30-Sep-17	£545,113	£448,001	0	£0	2	£97,112	£545,113	£545,113	£0	Contract approved by Director 24 Oct 2014, following mini-competition process from Lewisham Framework. Defects Liability Period ends Sep 2017. Variation approved by AD 13 Feb 2015, adding £21,650 to fee (£6,000 for James Dixon and £15,650 for Stewart Fleming). Further variation approved by AD 03 Mar 2015 for Stewart Fleming, adding £75,462 to fee. Contract period includes 12 months defects liability.
Contract-053898	ecm_3426	Education - Consultancy Services - Project Management and Employer's Agent re new school buildings and int/ext works at 3 no. Schools	Baily Garner LLP	35	2.92	30-Sep-17	£330,717	£330,717	0	£0	0	£0	£330,717	£330,717	£0	Contract approved by Director 24 Oct 2014, following mini-competition process from Lewisham Framework. Defects Liability Period ends Sep 2017.
Contract-053899	ecm_3425	Education - Consultancy Services - Project Management and Employer's Agent re new modular building & int/ext works & 5 no. Hygiene Rooms at Farnborough, Dorset Rd, Mead Rd, Castlecombe, Mottingham, Redhill, Green St Green	Pellings LLP	35	2.92	30-Sep-17	£540,887	£540,887	0	£0	0	£0	£540,887	£540,887	£0	Contract approved by Director 24 Oct 2014, following mini-competition process from Lewisham Framework. Defects Liability Period ends Sep 2017.

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