
Decision Maker: Executive

Date: 24 October 2012

Decision Type: Non-Urgent Executive Key

Title: **APPROVAL OF PROCUREMENT STRATEGY AND OUTLINE PROPOSAL FOR SCHEME AT RIVERSIDE SPECIAL SCHOOL**

Contact Officer: Robert Bollen, Education Strategic Capital Manager
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Chief Officer: Assistant Director (Education)

Ward: Cray Valley West – Riverside, St Paul’s Cray Site
Clock House – Riverside, Beckenham Site

1. Reason for report

- 1.1 A separate report on the outcomes of consultation on the proposal to expand Riverside School (Orpington) was considered by the Education Policy Development and Scrutiny Committee on 11 September 2012 and agreed by the Education Portfolio Holder. The statutory consultation process will be complete by the end of December 2012 and this report sets out the proposed capital scheme to remodel and expand Riverside School to support the expansion.

2. **RECOMMENDATION(S)**

- 2.1 That approval be given to the fully costed appraisal for the scheme at Riverside School.
- 2.2 That approval to value engineer the scheme at project award stage should tenders be excess of the 5% of the approved estimate, be delegated to the Director of Education and Care Services.
- 2.3 That the delegated authority be given to the Director of Education and Care Services and Director of Resources to accept a tender for these works as long as the tender sum can be contained within the budget available.
- 2.4 That the Director of Education and Care Services be authorised to submit planning applications in association with these works.
- 2.5 That the underspend on the capital scheme ‘Reconfiguration of Special Schools’ be used to contribute to the funding of the Riverside Special School project.

Corporate Policy

1. Policy Status: Existing Policy: Further Details
 2. BBB Priority: Children and Young People: Further Details
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Financial

1. Cost of proposal: Estimated Cost £1,340,000
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Basic Need Capital Grant £1,222,000
Reconfiguration of Special Schools Capital £118,000
 4. Total current budget for this head: £9,769,662
 5. Source of funding: DfE Basic Need Capital Grant and Dedicated Schools Grant
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Staff

1. Number of staff (current and additional): 5 staff from the ECS Department and 3 staff from Recreation and Renewal are involved in the consultation, expansion and building works to varying degrees.
 2. If from existing staff resources, number of staff hours: Approximately 450 based on 1 member of staff working on average 1 day a week for a year and 75 hours in total for the other staff involved in the project.
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 52 children and their parents/carers.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillor views were sought as part of the consultation process on the expansion of Riverside School. All responding Ward Councillors have stated that they support the Proposal.

Cllr John Ince (Cray Valley West)

Whilst I have no problems with an increase in pupil numbers, per se, I do have reservations about the use of land within the Brooks Way Rec. for a vehicular access. Of course this would depend on the details in a planning officer's report as to where the access is intended, but it must be remembered that the park is designated Urban Open Space, so could be a problem.

Cllr Judith Ellis (Cray Valley West)

Riverside is a valued member of the Cray Community and has always worked closely with residents to ensure minimal disruption either during building works or arrival and departures from the School. I am a governor at the School and have confidence that the leadership team has the capacity to make this expansion a success for the children who attend.

Cllr Harry Stranger (Cray Valley West)

Riverside school does a brilliant job with Challenging youngsters as I have seen on my visits. I am confident the school management will fulfil their responsibilities regarding nearby neighbours and the additional children appropriately.

Cllr Nicholas Milner (Clock House)

I support the proposed expansion of Riverside School.

3. COMMENTARY

3.1 Background

- 3.1.1 The project is to provide additional school places at Riverside School following consultation on expansion resulting from the need to meet the increase in the numbers of secondary aged pupils presenting with ASD. The development of the project to provide additional ASD specific secondary places has been overseen by the Executive Working Group for Special Education Needs. The CYP Portfolio Holder approved in principle this case following PDS scrutiny and comments on 20 March 2012.
- 3.1.2 Reports on the use of Basic Need Capital Grant to the CYP PDS Committee on 20 March 2012 and Education PDS on 11 September 2012 have set aside £1.2m to support the required building works at Riverside School and this allocation has been approved by the Portfolio Holder for Education.
- 3.1.3 In the report to the Executive on 11 April 2012 on the Development of Autistic Spectrum Disorder (ASD) Secondary Provision confirmed the draw down from the Council's Basic Need Capital Grant of £1.2m to complete the necessary building works to accommodate the expansion of Riverside School.
- 3.1.4 On the 11 September 2012 the Education PDS Committee reviewed the report Consultation Outcomes: Proposal to Expand Riverside School and following the meeting the Education Portfolio Holder agreed the proposal to expand the school from 1 September 2013 and authorised officers to complete the statutory consultation process. This is expected to be achieved by the end of December 2012.
- 3.1.5 This report now sets out the case for the work that is needed to Riverside School.

3.2 Reason for this Procurement

- 3.2.1 Riverside School has agreed to take 52 additional secondary age pupils with Autistic Spectrum Disorder in a new provision to be provided at the St Paul's Cray site. An appraisal of the additional accommodation required has been undertaken in full consultation with the Head Teacher and Governing Body of the School having due regard to DfE guidance on the accommodation needs of a special school. This has led to the production of an outline scheme with associated costs and programme produced in conjunction with consultants appointed to provide architectural and surveying services for the initial feasibility.
- 3.2.2 A summary of the works at Riverside is set out below:

The School project includes providing additional pupil accommodation through internal remodelling, a new ASD specific entrance and vehicular access, a new performance hall and a Multi Use Games Area (MUGA) that was completed by the school during Summer 2012.

Planning permission has already been achieved by the school for the MUGA and performance hall. Internal works to provide the additional teaching space for September 2012 do not require planning permission. However, the new access route, ASD specific entrance and interface with the new teaching accommodation and hall will require the submission of a further planning permission. A decision on whether to deliver the scheme as a single or two phase scheme will depend on resolving planning issues.

3.2.3 **Timetable**

The project has a minimum 6-month period on site and due to the complexity of working on an already constricted site will require preparatory, design, tender, programming and approval periods. Basic Need Capital Grant is not time limited but it is expected that works will be completed within the year 2013-14 with classroom accommodation at a minimum being ready for September 2013.

In light of these constraints, authority is sought for the Director of Education and Care Services in consultation with the Director of Resources to approve the award of tenders at the appropriate time to meet the individual projects' timescales.

3.3 Stakeholder Consultation

3.3.1 Consultation

The proposal to expand Riverside School has been subject to extensive formal consultation that took place from 11 June to 20 July 2012 with the outcomes from this consultation reported to the Education PDS Committee on 11 September 2012.

The school has been fully consulted on the plans and proposals set out in this report. The school has also endorsed the strategy to procure a contractor using the Authority's approved list arrangements to create a tender list of contractors and market testing of a fully specified and designed scheme of adaptations.

3.4 Key Issues / Risks

3.4.1 The key risks to the project are:

- failure to obtain an acceptable tender. Given the current market circumstances, it is felt that this is a low risk;
- failure to achieve planning permission for those parts of the works that currently do not have consent and the need to re-phase the works;
- failure to meet the service delivery deadlines in order to provide sufficient teaching and other new accommodation by 1 September 2013.

3.5 Market Considerations

3.5.1 The procurement methodology set out below takes account of the strong competition for building works that currently exists in the construction industry.

3.6 Outline Contracting Proposals and Procurement Strategy

3.6.1 An outline specification, cost plan, programme and drawings have been prepared by consultant architects appointed by the Council. Following agreement of this report the Council will need to tender for professional consultant support to complete design and manage project delivery. This will be either through use of an existing London Local Authority consultant framework, subject to the report Procurement Strategy for Multi Disciplinary Consultancy Services for Capital Building Programme also being considered or through an alternative procurement route agreed with the Head of Procurement and Director of Resources. Work will only be awarded to consultants that meet the required performance standards set by the chosen framework, but the Council reserves the right to carry out further checks to ensure a consultants financial robustness and performance.

For construction works the intention is to invite traditional tenders using firms in strict rotation from the Council's approved list arrangements.

- 3.6.2 The tenders will be fully evaluated by the Council's appointed professional consultant who will recommend to the Council, via a formal tender report, which tender should be accepted. Given the nature of the proposed tendering arrangements, price will be the major criteria for selection, given that all the firms invited to tender will be deemed capable of carrying out this work based on their inclusion in the Council's approved list. Quality issues will primarily be covered in the detailed works specification provided, however an element of the evaluation will consider the whole life costing of the proposals made and any additional sustainability issues arising.

4. POLICY IMPLICATIONS

- 4.1 Bromley Council has an established policy for the review and strategic planning of school places and related school organisation. The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council's strategy 'Building a Better Bromley' and contributes to the strategy to achieve the status of An Excellent Council. This policy also contributes to key targets within the Children and Young People Services Plan, particularly the outcome that "children and young people are enabled and encouraged to attend and enjoy school".
- 4.2 Community and sustainability impact statements are included in **Appendix 1** to this report.
- 4.3 The Council now requires, as part of its Contract Procedural Rules, the completion of a Gateway review process to inform discussions and reporting around Contracting Proposals.
- 4.4 The elements required to enable a preferred contracting route to be safely determined have been completed and are commented on as appropriate in the body of the report. It is considered that the arrangements identified provide the best fit for the particular circumstances of these projects and should secure value for money in the placement of the construction contract.

5. FINANCIAL IMPLICATIONS

- 5.1 In accordance with current procedures and the Gateway Review Process, the Riverside Expansion scheme requires a fully costed appraisal approved by the Executive.
- 5.2 The scheme's estimated capital costs have been drawn up in conjunction with officers in Strategic Property Services in Recreation and Renewal following scheme appraisal by consultants. A full financial appraisal for the scheme is attached as **Appendix 2** to this report.

Riverside School

Capital Expenditure

	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Land Acquisition				0
Contract Payments		1,039		1,039
Multi Use Games Area (MUGA)	85			85
Consultant Fees	80	19		99
LBB Fees		12		12
Surveys and Statutory Fees	23			23
Furniture & Equipment		52		52
Asbestos Contingency		30		30
Total	188	1,152		1,340

Capital Funding

	Total £'000
Basic Need Capital Grant	1,222
Reconfiguration of Special Schools Capital (DSG funding)	118
Total	1,340

- 5.3 The capital programme has an underspend of £118k on the Reconfiguration of Special Schools project which was being funded through the Dedicated Schools Grant (DSG). This included work that was carried out at Riverside School. It is recommended that this surplus funding stream be used to support the current Riverside expansion scheme.
- 5.4 The estimate is based on the latest information available and makes no assumptions on tender prices at this stage. The expansion scheme at Riverside in order to provide ASD specific school places is a priority on the use of the Basic Need Capital Programme and will also be a priority for use of the contingency within the Basic Need Capital Programme should this be required within the limits set out within this report.

Non-Applicable Sections:	Legal Implications, Personnel Implications
Background Documents: (Access via Contact Officer)	<p>Consultation Outcomes: Proposals To Expand Riverside School - 11 September 2012</p> <p>Basic Need Programme Update Report 4 - 11 September 2012</p> <p>Development of Autism Spectrum Disorder (ASD) Secondary Provision – 11 April 2012</p>

COMMUNITY IMPACT STATEMENT

- **What will the impact on local people, contractors and Small and Medium Sized Enterprises?**

The works set out in this report are a mixture of refurbishment and new build. Site access will be from Main Road and the site compound will be located within the school grounds. This will be located in a similar location to other recent schemes at the school and is therefore expected that there will be minimal impact on local people during the construction period. Consultation will taking place with Parks and Recreation and planning officers, Ward Councillors, residents and other interested parties to ensure the ASD specific access route does not impact on the adjacent park or compromise safety of the public highway. The provision of a new performance hall at Riverside School will benefit existing pupils at the school as wells as parents and users of Short Break services delivered by the school. Through the proposed procurement methodology, the works will be given to firms of an appropriate size for works of this nature. A key consideration is that they should be of sufficient size to ensure that they have the financial ability to deal with the turnover involved.

- **Who will be affected by the contract?**

The main beneficiaries will be the pupils with staff, pupils and their parents at Riverside School.

- **Are particular communities/groups likely to be affected differently by the issue?**

No.

- **If there are likely to be adverse or less good implications for any particular communities/groups, what possible actions could be taken to ameliorate these? Are there any resource implications?**

Not applicable.

- **Where it is possible that the contract will have a disproportionate affect on a particular community or group explain the positive/negative effects?**

Not applicable.

Sustainability Impact Statement

All works, including those which are largely of a refurbishment nature, are being designed to meet the appropriate sustainability standards.

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Financial Appraisal Report

1. Purpose of Projects

To provide appropriate fit-for-purpose accommodation for a secondary age ASD specific additional form of entry at Riverside School.

2. Estimated Capital Cost and Phasing

The total estimated capital costs are £1,340,000. Detailed phasing plans will be developed as part of further detailed design and on the outcome of planning applications submitted as part of the scheme.

Riverside School

	20012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
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Consultant Fees	80	19		99
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Surveys and Statutory Fees	23			23
Furniture & Equipment		52		52
Asbestos Contingency		30		30
Total	188	1,152		1,340

3. Capital Financing

	Total £'000
Basic Need Capital Grant	1,222
Reconfiguration of Special Schools Capital	118
Total	1,340

4. Revenue Implications

- 4.1 The report considered by the Executive on Development of Autism Spectrum Disorder (ASD) Secondary Provision 11 April 2012 set out the revenue implications of the expansion of Riverside School. Over a seven year period (2012/13 to 2018/19) the cumulative savings to the DSG will be £3,052,000 and £462,378 to the RSG.

4.2 No direct revenue implications for the Council. The School would be liable for any revenue costs that may arise. Schools are revenue funded through the Dedicated Schools Grant, a ring fenced grant designed to support Education services

5 Possible Capital Receipts

None

6. Proposed Timetable

Approval to tender:	February 2013
Estimated start on site:	April 2013
Estimated duration on site:	Minimum 6 months
Target completion date:	September 2013

7. Outstanding Uncertainties

Tendering results are volatile in the current market and certainty at this point cannot be guaranteed.

Delay in procuring a consultant to carry out design post feasibility and employer's agent, quantity surveying, project management and CDM Co-ordination could delay the submission of planning permission and/or the tendering of the construction contract.

Tendering for the construction contractor cannot get underway until the statutory consultation is completed, estimated to be by the end of December.

The outcome of planning applications will inform the scheme phasing and method of contracting and could push the target completion date

8. VAT Implications

None as a result of the schemes in this report.

9. Lead Officer

The Lead Officer for this project is Robert Bollen.