

LONDON BOROUGH OF RICHMOND UPON THAMES

CABINET

Agenda Item No.

DATE: 15 JANUARY 2007

**REPORT OF: DEPUTY LEADER AND CABINET
MEMBER FOR RESOURCES**

12

**LEAD
OFFICER: ASSISTANT DIRECTOR OF
ENVIRONMENT**

**SUBJECT: BUILDING SCHOOLS FOR THE FUTURE ONE SCHOOL
PATHFINDER - TEDDINGTON.**

WARDS: HAMPTON WICK

KEY DECISION?: YES

IF YES, IN FORWARD PLAN?: YES

For general release

1. PURPOSE OF THE REPORT

1.1 The report provides an update on the Building Schools for the Future ("BSF") On-School Pathfinder project at Teddington School since the last Cabinet report of the 9 October 2006 and seeks approval of the procurement route and delegation of the authority to engage builders.

EXECUTIVE SUMMARY

1.2 The report requests the approval of the construction procurement route, and also the delegation of the decision to select and appoint a building contractor from Cabinet to Lead Members. The report provides an update on the Building Schools for the Future ("BSF") One-School Pathfinder project at Teddington School since the last Cabinet report of 9 October 2006.

2. RECOMMENDATIONS

2.1 That Cabinet notes the progress made to date.

2.2 That Cabinet approves the construction procurement route.

2.3 That the decision to approve the acceptance of the tender, providing it does not exceed the pre-tender estimate be devolved down from the Cabinet to the Deputy Leader and Cabinet Member for Resources and the Cabinet Member for Children's Services and Education.

3. DETAIL

3.1 Further Consultant Appointments

3.1.1 The Building Design Partnerships appointment has been extended, following competitive fee quotations, to include acting as the Council's planning consultant in relation to the project.

3.1.2 The Cordless Group have been appointed, following competitive fee quotations, to work with the school and borough to develop an ICT Vision for the new school.

3.2 Communications/Consultation

The Council has finalised the structure for communicating with the wider community to provide updates on the Teddington School project. The first evening consultation event for the community was held on 30 November 2006 between 4.20p.m. – 8.30p.m.. 157 local residents and parents of pupils attended. This was an initial information gathering exercise, there were no plans or other indications of building design. Following on from this event and other consultations with school staff, pupils, leisure services etc., outline designs will be drawn up and developed by the architects for further consultation in February/March 2006.

3.3 Learning and Skills Council

Teddington Secondary School have formed a consortium with other local secondary and special schools to submit a bid to run post-16 education services and are working towards the submission of their bid by the close date of the competition on 22 December 2006. The outcome of the competition will not be known until March 2007. As previously reported this timescale does not fit comfortably with the design process. To this end the architectural brief has been developed to enable flexibility, so that the scheme can incorporate these facilities or not without the need for significant redesign and consequent delays to the programme.

3.4 Sustainable School

As stated previously, unfortunately the Borough was unsuccessful in its application to the DfES (Department for Education and Skills) to rebuild the school as a sustainable demonstration project. However the ambition is still to create a highly sustainable school, which achieves the highest environmental rating, namely a Building Research Establishment Environmental Assessment Method (BREEAM) rating of "Excellent" as opposed "Very Good". The architects and design team are working to this "Excellent" rating and are due to report back on any funding shortfall shortly. When the costs and impacts are identified in greater detail, this will be reported back to Cabinet for direction.

3.5 All Weather Surface Pitches

Following extensive discussions and consultations with the school regarding the location of the two all weather surface pitches options for the relocation of one of the current pitches off the school site are being considered. Progress in relation to this is detailed within the confidential report covering the Land at Broom Road – Terms for a Proposed Lease, also on this Cabinet agenda.

3.6 Planning

Further meetings with the Council's planning officers have taken place, concerning the project and anticipated timescales. Following the appointment of project planning consultants, colleagues within the Development Control service have indicated their intention to set up a planning project team, to co-ordinate the pre-planning application work and identify issues early on with our appointed planning consultants and architects.

Abnormals/ Building Costs

- 3.7 Review of the building cost estimate against the BSF Pathfinder funding allocation, by the project quantity surveyors, has identified a shortfall in the site abnormals' allowance. Site abnormals are typically for such matters as the removal of existing buildings, asbestos, highways and access issues etc. The BSF Pathfinder funding allocations assume that 5% (approx £800,000.00) of build costs relate to abnormal elements. However typical abnormals costs in relation to built up urban sites within London are between 10-15% (up to a £1.75m. difference). It is proposed to raise this issue with DfES and seek additional funding to cover this shortfall.

Selection of Building Procurement Route

- 3.8 This paragraph updates further to the Cabinet report of 30 May 2006 setting out the procurement of the architect and design team.
- 3.8.1 It is recommended that the South East Centres of Excellence ('SECE') Building Framework agreement is utilised. This agreement has been up for use by local authorities and other public authorities within the south-east by Hampshire County Council under the direction and sponsorship of Central Government.

It is an arrangement where a long-term relationship has been established with a number of contractors under which specific call-offs to form individual contracts can be made throughout the life of the agreement. This has been done through a process of advertising in the Official Journal of the European Union, pre-qualification and tender. There will therefore be no need to undertake a similar process of European advertisement, costing time and money, specifically for this project. The framework agreement itself is between the selected construction companies and Hampshire County Council acting for and on behalf of SECE for participating authorities. The Council however still acts as the employer under the project specific contract, which sits underneath the framework contract. The form of specific contract would remain a standard form construction contract, as used by the Council in the past, with the advice of Legal Services being sought as appropriate.

The SECE framework is aimed at major projects and/or programmes of work with a value of between £1,000,000.00 and £30,000,000.00. It can be used for any public sector building project, be it a school, library, offices, care home, etc.

The utilisation of this agreement has a number of advantages for public sector clients, which are set out below:-

- Saves time in the procurement process;
- Avoids duplication of effort within the public sector and within the construction industry, creating a better use of resources and driving out wasteful activities;
- Enables the early engagement of the constructor/builder, and facilitates joint ownership;
- Creates a collaborative integrated working relationship with constructors and with the construction industry, for whom the longer term relationship with the framework body is valuable;
- Gives greater flexibility;
- Significant build cost savings (10% targeted) are targeted due to aggregation, leverage discount for economy of scale and the avoidance of bespoke procurement.

The contractual arrangements and responsibilities between the Council, architects, and the contractor would remain as described within the Cabinet report of 30 May 2006. Namely that means that a two stage design and build contract would be used, with the appointed architects and design team “novated” onto the selected contractor, post detailed design. This contract strategy combines the required characteristics of cost control and certainty, risk control, and quality management, whilst enabling the achievement of the required completion date and creating single point responsibility for the build.

3.9 Authority to Let Building Contract

- 3.9.1 Contract Standing Order 9.9 requires that the acceptance of all contracts where the tender price, together with professional fees and other relevant costs, have an estimated value of over £500,000.00, be carried out by the Executive upon a report by the Assistant Director in consultation with a Director.
- 3.9.2 The DfES through Partnerships for Schools (PfS) as part of the Building Schools for the Future (“BSF”) One-School Pathfinder programme requires the completion of the school by the end of 2009. Due to the impracticability of a school moving into new buildings mid term, the last available opportunity to complete the building works and meet this challenging programme is the end of July 2009, thus enabling the school to take occupation of the buildings over the summer holidays. Additionally should the school succeed in winning the competition in relation to the post 16/ sixth form provision they would also require these facilities by no later than this date, if not before.
- 3.9.3 To achieve this ambitious timescale will require the adoption of a fast track construction and project programme. The building works required in rebuilding the school need to start in January 2008, to allow sufficient construction time to undertake the works on site and to complete the work in time so as enable the new school to open, and accept students by the start of term September 2009. To achieve this start date allowing for the contractors’ lead-in period and time to review tenders once they are received would require an urgent decision to appoint contractors in November 2007, outside of the usual Cabinet approval timetable.

- 3.9.4 Should building works not be complete within the programme indicated above the school and the September 2009 deadline missed, the school could not take occupation of the buildings until the following Easter Holidays at the earliest and such a delay would cause significant delay and disruption to the operation of the school, with the potential risks to the education of students. Furthermore such delay would damage the Council's reputation for project delivery with the DFES and undoubtedly attract poor publicity.
- 3.9.5 A pre-tender estimate/build budget of £23,000,000.00 has been identified.
- 3.9.6 It is therefore recommended to Cabinet that the decision to approve the acceptance of the tender, provided it is within the pre-tender estimate, be devolved down from the Cabinet to the Deputy Leader and Lead Cabinet Member for Resources and the Lead Cabinet Member for Children's Services and Education. [Were the timetable in practice to vary from that envisaged and in fact allow for Cabinet decision, that would of course be possible].

4. CONSULTATION

- 4.1 None except for service managers, school premises managers and/or head teachers, where appropriate. except as set out within the report.

5 FINANCIAL IMPLICATIONS

No specific financial implications in relation to this report. The financial position in relation to site abnormalities is outlined within the report.

It is expected that the full cost of this scheme will be met from the BSF Pathfinder Grant from the DfES. Until the DfES signs off final approval to scheme design there will remain a risk of costs falling to be met by the Council. To this point in time, contracts to a value of £460,000.00 have been let in order to bring the project to outline design stage, Royal Institute of British Architects work Stage C.

6. POLICY IMPLICATIONS/CONSIDERATIONS

- 6.1 The Building Schools for the Future One-Schools Pathfinder is an opportunity to provide a secondary school for the twenty-first century which will support the raising of standards and high quality education, with improved accessibility for the whole community.

7. RISK ASSESSMENT

A risk assessment schedule has been produced and is available from the Assistant Director of Environment.

8. EQUALITY IMPACT/CONSIDERATIONS

None specific

9. LEGAL IMPLICATIONS

There are no legal implications arising specifically from the decisions recommended in this report, although of course suitable contracts will be required for the appointment of the construction company in due course.

10. BACKGROUND DOCUMENTS:

Member decision 6 September 2006
Cabinet Report 30 May 2006
Sustainable School demonstration status submission to the DfES 5 May 2006
Cabinet Report 24 April 2006
Second Stage Submission to the DfES 31 March 2006
Rationale submission to the DfES 18 January 2006
Cabinet Report 16 January 2006
Cabinet Report 5 December 2005
Cabinet Report 9 October 2006
Education & Culture Overview & Scrutiny Report 1 December 2005

11. CONTACTS

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