

MUNICIPAL YEAR 2015/2016 - REPORT NO.

PORTFOLIO DECISION OF

JOINT REPORT OF:

Director of Finance, Resources and
Customer Services and The Chief
Education Officer
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Agenda - Part: 1	Item:
Subject: Enfield Secondary Tuition Centre – Enabling Works Contract Award Report,	
Wards: Chase Key Decision No: KD 4009	
Cabinet Member consulted: Cllr A Orhan and Cllr A Stafford	

1. EXECUTIVE SUMMARY

- 1.1 This report covers the next decision in the delivery of the Enfield Secondary Tuition Centre at 230 Bullsmoor Lane with the contract award of the Enabling works. The Cabinet Decision for the Future Provision of Secondary Tuition Services (PRU) on 28th October 2013 (KD 3799) sets out the full details of the re-provision of the Secondary Tuition Centre from its current multi-site accommodation on to one site on 230 Bullsmoor Lane.
- 1.2 The Cabinet Decision for the Strategy and approach to delivering pupil places on 21st October 2015 (KD 4141) gave delegated authority to the Cabinet Member for Education, Children's Services and Protection and the Cabinet Member for Finance and Efficiency in consultation with the Director of Finance, Resources and Customer Services, the Chief Education Officer or the Assistant Director of Strategic Property Services, to take decisions on a number of key decisions required for delivery, including procurement and contractual arrangements required for any capital works required for projects.
- 1.3 A further report will follow for the main contract award for the new Secondary Tuition Centre building and balance of scheme expenditure.

2. RECOMMENDATIONS

That the Cabinet Member for Education, Children's Services and Protection and the Cabinet Member for Finance and Efficiency approve:

- 2.1 Contract Award to Contractor A in the sum of £361,763 for the Secondary Tuition Centre Demolition and Enabling Works contract.
- 2.2 A total enabling works budget of £450k including the contract award to Contractor A, a nominal allowance for additional items outside the contract sum and £75k for associated Professional and technical costs.
- 2.3 To note that a further report will follow for the main contract award and remaining expenditure for the scheme.

3. BACKGROUND

- 3.1 The Secondary Tuition Centre (STC) students have been permanently excluded and cannot be educated at main stream school. The majority of pupils attend full-time although a part-time induction programme is used to introduce pupils to the centre with others attending college and other placements. The service is currently accommodated on three sites; in HORSAs buildings at Eldon Road, in a converted church hall (Newbury site) at Bury St., plus temporary use of Swan Annexe. Suitability assessments have identified the existing accommodation not being fit for purpose and there are major concerns in relation to the condition of the buildings. There is insufficient space, existing accommodation is deficient in specialist and general teaching areas and there are inadequate areas for administration, support and storage. External areas are extremely restricted and there are no appropriate areas for recreation and PE.
- 3.2 The Cabinet Decision for the Future Provision of Secondary Tuition Services (PRU) on 28th October 2013 (KD 3799) sets out the full details of the re-provision of the Secondary Tuition Centre from its current multi-site accommodation on to one site on 230 Bullsmoor Lane.
- 3.3 These Enabling works are being procured in advance of the main contract for the new Secondary Tuition Centre building. Tenders were received on 15th January 2016 and are currently being evaluated a further report will

follow seeking approval for the main contract award and total remaining expenditure for the scheme.

- 3.4 The tender for the Demolition and Enabling works comprise of site clearance and demolition of the existing nursery and associated ancillary buildings, including associated enabling works (earthworks, hoardings, tree protection fencing and hard landscaping with some contractor design portion elements).
- 3.5 The form of contract is the JCT Intermediate Building Contract with Contractors Design (ICD), 2011 Edition, including Amendment 1 issued March 2015 and the JCT 2011 Public Sector Supplement. Insurance Option C is to apply. The tender was procured through a single stage process. The tendering procedure is in accordance with JCT Practice Note 2012, Alternative 2 is to apply.
- 3.6 The contractors were selected for the tender on the Demolition and Enabling works via ConstructionLine in accordance with Council policy and procedure. A shortlist of five contractors was determined from a long list, with all confirming their agreement to submit a tender in line with the project programme. The Invitation to Tender documents were issued on 30th October 2015. Two contractors did not submit but tenders were received from the three other contractors on 27th November 2015.
- 3.7 Tenders were evaluated in accordance with the award criteria and no arithmetic or pricing errors were found. Following analysis of the tender submission the Tender Report prepared by Stace LLP recommended contract award to Contractor A on the basis that their tender was the most economically advantageous and programme compliant. The tender is in line with the pre-tender estimated costs and represent value for money.
- 3.8 Items were identified during the tender analysis for which allowance needs to be made in addition to the tender sum; an allowance for these items has been included in the recommendation.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Over a nine year period officers from within Education and Children's Services have been looking to relocate the secondary tuition service from its current locations, as part of this process 13 sites including the preferred site identified in this report have been considered. The other sites for various reasons have been excluded. (Options Paper for the re-provision of the secondary tuition service).

- 4.2 Suitability assessments have identified the existing accommodation as not being fit for purpose and there are major concerns in relation to the condition of the buildings. There is insufficient space, existing accommodation is deficient in specialist and general teaching areas and there are inadequate areas for administration, support and storage. External areas are extremely restricted and there are no appropriate areas for recreation and PE.
- 4.3 The PRU was inspected by OFSTED in February 2013 and achieved outstanding. However, the inspection team highlighted that there was a need to "Address the accommodation shortcomings so that students can be offered a wider range of practically-based courses"
- 4.4 There are therefore no realistic alternatives but to co-locate the current sites onto Bullsmoor Lane to meet the increase in pupil rolls but more importantly to provide fit for purpose accommodation.

5. REASONS FOR RECOMMENDATIONS

- 5.1 The decision is necessary to provide authority for contract award in order that work can start on site in February 2016. Any delay will severely affect the ability of the School to open as per the current programme.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

There is existing budget provision within the capital programme school expansion budget to cover the £450k costs detailed within the recommendations, funded from grants. There are no revenue costs implications arising from these recommendations.

The proposed capital expenditure profile for the budget authorised by this decision is as follows:

	2015/16 £'000	2016/17 £'000	TOTAL £'000
Contractor A	180.9	180.9	361.8
Additional items	3.2	10.0	13.2
Prof.& tech. costs.	55.0	20.0	75.0

Total	239.1	210.9	450.0
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6.2 Legal Implications

- 6.2.1** Section 14 of the Education Act 1996 (as amended) requires a local education authority to ensure that sufficient school places are available within the borough, for children of compulsory school age. Case law upon this statutory duty confirms that compliance with the duty requires an education authority to actively plan to remedy any shortfall.
- 6.2.2** Section 111 of the Local Government Act 1972 ("LGA") gives a local authority power to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of any of its functions and the Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. In addition, section 112 of the LGA permits the appointment of such officers that the Council deems necessary for the discharge of its functions. The proposals set out in this report are consistent with this power.
- 6.2.3** The procurement of any goods/works/services will need to be in accordance with the Council's Constitution; in particular Contract Procedure Rules.
- 6.2.4** All contracts will need to be in a form approved by the Assistant Director of Legal and Governance Services.

6.3 Property Implications

- 6.3.1** The majority of the site has been cleared of Venlo Glasshouses and the remaining structures and concrete base will be demolished and made good for building works to start in earnest.

6.4 Procurement Implications

- 6.4.1** That procurement of any goods/services/works will need to be in accordance with the Council's Constitution, in particular contract Procedure Rules.

6.5 VAT Recovery

- 6.5.1 PRU performs a statutory function which, for VAT purposes, is deemed to be non- business activity for local authorities. Enfield council is generally able, under the provisions of S33 of VAT Act 1994, to recover VAT incurred in relation to expenditure for which it is responsible. The Council can therefore recover VAT incurred toward its supply of statutory education, but subject to the normal rules for VAT recovery. These require the Council to procure/contract for the works, receive the supply, receive a VAT invoice in its name and pay with its own (Corporate) funds.

6.5.2 Partial Exemption

This project is not expected to have any significant impact on the council's partial exemption position.

7. KEY RISKS

- 7.1 The risk in not accepting the tender is that the contractor will fail to complete the enabling works in readiness for the main works contract to commence.
- 7.2 To enable able the contractor to mobilise for the start date of 17 February 2016 an operational decision was made to issue the contractor a Letter of Limited Liability issued on 15 January 16 to proceed with a maximum liability to the Council of £4,800

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

This proposal will provide additional special provision school places which serves the entire Borough

8.2 Growth and Sustainability

This proposal will provide additional school places in an area of the community of high demand. The places will increase the numbers of pupils and parents being assisted

8.3 Strong Communities

The school places will be offered to the young people of Enfield who need them from all wards.

The accommodation will allow additional facilities to be offered to the pupil and parents of the Capel Manor Primary School

The accommodation will incorporate, where possible the ability to be used outside the normal school day by the community

9. EQUALITIES IMPACT IMPLICATIONS

An EIA has been undertaken.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

The provision of additional places at this School will assist the Authority in meeting its statutory duty to ensure the availability of sufficient pupil places in the Borough and to meet projected demand.

The PRU was inspected by OFSTED in February 2013 and achieved outstanding. However, the inspection team highlighted that there was a need to "Address the accommodation shortcomings so that students can be offered a wider range of practically-based courses". This scheme looks to address those concerns.

11. HEALTH AND SAFETY IMPLICATIONS

Requisite notices under the Building Acts and Health and Safety information will be issued to the contractor for any works.

12. HUMAN RESOURCES IMPLICATIONS

None

13. PUBLIC HEALTH IMPLICATIONS

In the short term the school site will need to be made secure. All health and safety precautions should be undertaken by the awarded contractor.

Background Papers

None