

**MUNICIPAL YEAR 2017/2018 REPORT NO.**

**ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY**

**Agenda – Part: 1**

**KD Num: 4552**

**Subject:** Phased expansion of Bowes SG on Broomfield School Site 2017

**PORTFOLIO DECISION OF:**

Cabinet Member for Education,  
Children's Services & Protection

**Ward: Southgate Green**

**REPORT OF:**

Executive Director – Children's Services

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**1. EXECUTIVE SUMMARY**

- 1.1** This report seeks approval for additional works to increase roll numbers to accommodate admission for 2 reception classes in September 2017 for Bowes Southgate Green Primary School. This will include additional works to compensate Broomfield School for lost areas.
- 1.2** The Works will be procured by adding them as a variation to the existing contract for Broomfield Secondary School ('School') Heating Replacement and Domestic Water Distribution. This procurement satisfies the Council's Contract Procedure Rules ("CPRs").

**2 RECOMMENDATIONS**

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

- 2.1** Approves additional works to increase roll numbers to accommodate admission for 2 reception classes in September 2017 for Bowes Southgate Green Primary School. This will include additional works to compensate Broomfield School for lost areas.
- 2.2** Approve adding the works as a variation to the existing contract for Broomfield Secondary School ('School') Heating Replacement and Domestic Water Distribution (KD4472). This procurement satisfies the Council's Contract Procedure Rules ("CPRs").
- 2.3** Notes and approves total scheme expenditure including construction works, professional and technical costs and scheme contingency costs as detailed in Part 2 of this report
- 2.4** Delegates authority to the Assistant Director, Education to allocate project contingency, via operational decisions, as and when required.

### **3. BACKGROUND**

- 3.1 Bowes Southgate Green in part of The Enfield Learning Trust and is situated within the physical structure of Broomfield School.
- 3.2 Various Building Works are required to enable an increase in roll numbers to accommodate admission for 2 reception classes in September 2017 for Bowes Southgate Green Primary School. This will also have the knock on effect of needing to carry out various works to compensate Broomfield School for lost areas..
- 3.3 An Operational Decision has authorised works to commence over the summer holiday with a deadline of completion by September 2017. This works included creation of toilets, refurbishment of classroom and corridor, servery provision within the kitchen for Bowes Southgate Green and one science lab for Broomfield School.
- 3.4 This Key Decision (KD4552) encompasses the full scope of works to cover both the Summer holiday works and the additional works to compensate Broomfield School and aid in the decant for the Heating contract (KD4472). These works include refurbishing 3nr classrooms and, 2nr corridors upgrading 2nr science labs,

### **4. PROPOSAL**

- 4.1. After detailed consultation, a scope of works has been agreed with both Schools Governing Bodies and costs estimated as detailed in Part 2.
- 4.2 The Contractor A for the existing Broomfield School Heating and Domestic Water upgrade contract will carry out the works as a variation to the existing contract 3nr quotations have been obtained for the Science labs by the School and reviewed to determine the best value.
- 4.3 The existing Broomfield School Heating contract has already been approved under KD 4472 with the works for this contract commencing on 24th July 2017 with completion expected 3rd Feb 2019.
- 4.4 The summary specification for works required can be found in Part 2.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not to proceed with this project would mean failure to meet the statutory obligation to educate.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The Contractor A is currently on site carrying out a complete Heating & Water Services upgrade to Broomfield School contract, would be able to carry out these additional works, enabling the works to be carried out earlier and avoiding the problem of having 2nr different Contractors on site.
- 6.2 Not to proceed with this project would mean failure to meet the statutory obligation to educate

## **7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

### **7.1 Financial Implications**

The Schools and Children's Services Capital Programme for Fire, Condition, Kitchen and Access Works currently has budget provision funded from Maintenance Grant and approved in KD4303 which includes provision for extensive Broomfield School works.

The costs of the contract award recommended within this report can be contained from the above at no additional cost to the Council with zero revenue impact. The detailed costs are set out in the Part 2 report.

### **7.2 Legal Implications**

- 7.2.1 The Council has a general responsibility for education and to secure efficient primary education to meet the needs of the population in its area under Section 13 of the Education Act 1996 (as amended).
- 7.2.2 Section 111 of the Local Government Act 1972 further enables local authorities to do anything, including incurring expenditure, borrowing, which facilitate or are conducive or incidental to the discharge of their functions and the Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do, provided it is not prohibited by legislation and subject to Public Law principles. The recommendations within this report are in accordance with these powers.
- 7.2.3 Provided the Council has conducted the evaluation and award process in a fair, transparent, proportionate and non-discriminatory manner, there should be negligible, if any, risk to the Council in awarding the contract as proposed.
- 7.2.4 The fees associated with this Works contract fall below the threshold for Public Service Contracts under the Public Contracts Regulations 2015 and therefore the full EU procurement procedures do not apply. However, the

Council must ensure that it complies with the EU general principles of equality, transparency, proportionality, non-discrimination and mutual recognition when awarding any contract.

- 7.2.5 The Council must comply with all requirements of its constitution and CPRs. Throughout the engagement of Contractor A as a provider, the Council must comply with its obligations of obtaining best value, under the Local Government (Best Value Principles) Act 1999. The Council must keep a clear audit trail of its decision to award these services to Contractor A, in order to demonstrate that best value has been and will continue to be obtained for the Council.
- 7.2.6 All legal agreements (including all associated documentation) arising from the matters described in this Report must be approved in advance of contract commencement, by the Assistant Director of Legal & Governance Services. Contracts whose value exceeds £250,000 are required to be executed under seal and performance security should be obtained unless the Director of Finance Resources and Customer Services considers this to be unnecessary.
- 7.2.7 All legal agreements (including all associated documentation) arising from the matters described in this Report must be approved in advance of contract commencement, by the Assistant Director of Legal & Governance Services. Contracts whose value exceeds £250,000 are required to be executed under seal and performance security should be obtained unless the Director of Finance Resources and Customer Services considers this to be unnecessary (CPR 21). A performance security bond has been requested in the tender documents so will be provided by the Contractor.
- 7.2.8 The Council shall be mindful of and adhere to Contract Procedure Rule 15 which refers to letters of acceptance (or letters of intent).

### **7.3 Property Implications**

- 7.3.1 Future proof systems engineering should be envisaged at this stage to avoid high costs and expensive remedial works later therefore adequate measures/capped pipes should be put in place for any expansion to the school or extension to buildings that may be envisaged.
- 7.3.2 Any future evaluation of the school options should include consultation with all relevant stakeholders and departments.
- 7.3.3 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services.

- 7.3.4 All new data regarding the new development including M&E specifications for the new systems including revised site plans, operations manuals and room data will be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM.
- 7.3.5 An inventory list of any material procured and produced will need to be kept. In the event of failure, appropriate arrangements will need to be made for these supplies to be retained and secured for the Council until a decision is made on how best to dispose of them.

#### **7.4 Procurement Implications**

- 7.4.1 All procurement must be carried out in line with Council' Contract Procedure Rules and compliant to Public Contract Regulations 2015 UK & EU Public Contracts Directives (2014).
- 7.4.2 Where the minimum numbers of responses have not been met then under CPRs approval to proceed must be sort from Procurement and Commissioning Hub; as best value must be demonstrated.
- 7.4.3 All information and contracts must be managed and loaded into the London Tenders Portal.

#### **7.5 VAT Comments**

Broomfield school is a LA maintained school and is an agent for the council in the provision of statutory education. When the Council provides statutory education, it is deemed to be engaging in a non-business activity and all VAT incurred towards the day to day running of the school and capital maintenance of the school will be recoverable under S33 of VAT Act 1994, subject to the following conditions: the council must contract for the supply, receive the supply, receive VAT invoices in its name and pay with its own funds.

Details provided in this report indicate that the conditions for VAT recovery will be met but it is recommended that project officers carefully scrutinise agreements, contracts and purchases to ensure that this is indeed the case.

This project will not result in any exempt income therefore it will not have any negative impact on the council's partial exemption position – i.e. the ability to recover input VAT incurred towards exempt activities is not compromised by this project.

## **8. KEY RISKS**

- 8.1 The key risks to this contract relates to the possible poor performance of the Consultant/Contractors. Project plans are in place to manage and monitor contractor performance, alongside performance being on the agenda for Project Board

## **9. IMPACT ON COUNCIL PRIORITIES**

### **9.1 Fairness for All**

This contract will assist the Council to deliver its construction related projects and programmes which in turn help support the delivery of services to the benefit of the community.

### **9.2 Growth and Sustainability**

This contract will assist in the procurement of construction related activity within the borough and its associated employment and economic benefits. The Borough needs to ensure appropriate infrastructure is in place to allow for the growth of the population.

### **9.3 Communities**

The provision of good quality schools helps to ensure a stable strong community.

## **10. EQUALITY IMPACT IMPLICATIONS**

- 10.1 The provision of local schools across the borough ensures quality of rights to good education provision

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 11.1 The performance of the consultant will be monitored by Corporate Maintenance and Construction Team.

## **12. HEALTH AND SAFETY IMPLICATIONS**

- 12.1 There are no direct health and safety implications arising from this contract.

## **13. PUBLIC HEALTH IMPLICATIONS**

- 13.1 There are no direct public health implications arising from this term contact.

## **Background Papers**

None.