

Report of: Executive Member for Children and Families

Meeting of:	Date	Ward
Executive	12 March 2015	Bunhill

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SUBJECT: Contract Award for the Moreland Primary School and Children's Centre Redevelopment

1. Synopsis

- 1.1 The redevelopment of Moreland Primary School and Children's Centre is as a capital investment priority for the council. The existing condition and suitability of the school buildings means that these works are required. The wider redevelopment of the Kings Square Estate is dependent upon the completion of works to redevelop Moreland Primary School and Children's Centre.

This report seeks approval to award a contract for the redevelopment of Moreland Primary School and Children's Centre to Morgan Sindall Group plc and to delegate to officers authority to finalise contract documentation. Details are provided of the works relating to the proposed contract, programme and timescales as well as budget.

In addition to the educational investment, officers from Children's Services and Housing Services have been working together to coordinate the wider re-development of the Kings Square Estate.

2. Recommendations

- 2.1 To note progress on the development of proposals for the redevelopment of Moreland Primary School and Children's Centre, programme and affordability.

To agree to award a contract for the redevelopment of Moreland Primary School and Children's Centre to Morgan Sindall Group plc.

To authorise the Corporate Director of Children's Services in consultation with the Corporate Director of Finance and Assistant Chief Executive (Governance and HR) to negotiate and agree the design and build contract documentation with Morgan Sindall Group plc.

Subject to agreement being reached on the contract documentation relating to Moreland Primary School and Children's Centre, to authorise the Assistant Chief Executive, Governance and HR (or such other officer as may be authorised by her in accordance with Article 14.05 of the

Council's Constitution) to enter into the contractual documentation to give effect to the award of the Moreland Primary School and Children's Centre contract to Morgan Sindall Group plc.

To note implications relating to the wider Kings Square development.

3. Background

- 3.1 The Executive approved the procurement strategy in January 2014. Following a competitive process using the IESE Framework for Major Projects, the council appointed Morgan Sindall Group plc to undertake pre-construction services relating to the redevelopment of Moreland Primary School and Children's Centre. This was confirmed by an Urgent Key Decision in July 2014.

Since this date, the council and key stakeholders have worked with Morgan Sindall to develop detailed design and construction proposals for this scheme. The planning application was submitted on 12 December 2014, and is scheduled to be determined by the Planning Committee on 24 March 2015. Morgan Sindall Group plc have commenced open book competitive tendering of works packages (market testing) and detailed analysis of this information and related contractor proposals are scheduled to be finalised by the end of March 2015.

The following provides a summary of the development and construction programme:

- Planning Application to be determined by Planning Committee 24 March 2015.
- Completion of Morgan Sindall's Market Testing and confirmation of Contractor Proposals end March 2015.
- Contract Close April 2015
- Construction Start April 2015*
- Construction End (new school facilities) September 2016
- Construction end (demolition and landscaping) December 2016.

*note: consideration is being given to advancing some elements of works in order to achieve the overall completion date of September 2016, for example; establishing site compound and hoarding, demolition of existing (vacant) Children's Centre building, pre-orders for essential machinery and equipment with long lead in times. Such "enabling works" can be added to the existing pre-construction services contract with Morgan Sindall by variation. The scope and associated costs are currently being developed between the council and Morgan Sindall Group plc.

In summary, the redevelopment of Moreland Primary School and Children's Centre will provide:

- New facilities for Moreland Primary school with capacity for two forms of entry
- A new Children's Centre, including provision for 2 year olds.
- Demolition of the existing school and children's centre buildings and associated landscaping.
- The new buildings will achieve BREEAM (Building Research Establishment Environmental Assessment Method) excellent rating and will be connected to the Bunhill District Heat Network
- On completion of the demolition and landscaping, the areas previously agreed by Executive will be declared surplus to education use and disposed of for development as part of the wider Kings Square redevelopment.
- Disabled access

These works will significantly address the stock condition issues that the school currently suffers and will provide school facilities which are better able to deliver the Key Stage 1 and 2 curricula. The latest OFSTED report dated 17-18 December 2013 assessed the school as Requires Improvement. A monitoring inspection visit on 6 June 2014 confirmed that senior leaders at the school and governors are taking effective action to tackle areas noted as requiring improvement.

4 Implications

Financial Implications

- 4.1 There is an approved capital budget for the redevelopment of Moreland Primary School and Children's Centre.

Preliminary market testing and cost analysis undertaken in December 2014 indicate that the development is viable within the overall project capital budget.

The actual value of the Design and Build contract with Morgan Sindall Group plc will be determined following completion of market testing and as detailed contractor proposals are finalised towards the end of March 2015. Updated financial analysis will be available at the Executive meeting on 12 March 2015.

The council will take into account other project costs associated with the development, for example: ICT network and user equipment, decant costs, professional fees; survey costs; preparatory works; and planning fees, and will allow reasonable contingency for costs associated with the connection to the Bunhill District Heat Network, Community Benefits Agreement and for unknowns which may occur.

Any costs above the approved capital budget will be met from the Children's Services capital contingency.

- 4.2 **Legal Implications**

School refurbishment contract

The council has a duty to provide and maintain sufficient schools for the provision of primary education in its area (sections 14 and 16 of the Education Act 1996). Accordingly the council has power to enter into a contract for the construction of new school buildings at Moreland Primary School (section 1 of the Local Government Contracts Act 1997).

The threshold for works contracts for the application of the Public Contracts Regulations 2006 is currently £4,322,012. The value of the contract to be let is above this threshold. As a result of previous Executive approvals, a design and build contractor is being procured from the IESE Framework for Major Projects. That framework was established following a competitive tendering exercise undertaken in accordance with the Public Contracts Regulations 2006.

The Council is able to utilise the IESE Framework for Major Projects. A Partnering and Access Agreement has been entered into with IESE in order to use the framework for this scheme. Following the mini-competition pursuant to the IESE framework, a Pre-Construction Agreement was entered into with Morgan Sindall Group plc. It is now intended that a JCT form of Design and Build Contract is utilised for the development in accordance with the Pre-Construction Agreement.

The Secretary of State approved the Council's application to dispose of part of the outside recreational area at Moreland School for housing development under Section 77 of the Schools Standards and Framework Act 2006 at the end of August 2013.

Accordingly the contract for the redevelopment of Moreland Primary School and Children's Centre may be awarded to Morgan Sindall plc provided the price represents value for money for the Council.

Morgan Sindall's final proposals once received may require further clarification and negotiation to ensure that no unreasonable risk is transferred to the Council.

Kings Square Redevelopment

The Department for Education provided approval to the Council's application under Schedule 1 of the Academies Act 2010 in January 2013. The Secretary of State approved the Council's application to dispose of playing fields under Section 77 of the Schools Standards and Framework Act 2006 at the end of August 2013.

The design and construction proposals for Moreland Primary School and Children's Centre have been developed mindful of the wider Kings Square redevelopment project, and are in accordance with the previously approved Planning Development Brief for the area.

The current programme assumes completion of all works in December 2016, at which point areas of the school site previously agreed by Executive will be declared surplus to education requirements and will form part of the Kings Square redevelopment.

4.4 Environmental Implications

The energy efficiency of the existing 1960s building stock is poor. Poor insulation and U values mean that the building is difficult to heat during winter months and overheats during the summer. This is compounded by out-dated heating systems and controls.

In providing a new building for the School and Children's Centre, it is intended that the thermal performance of the school will be significantly improved. In addition, green roofs with rainwater attenuation will improve biodiversity and provide a more sustainable urban drainage. The new facilities are to achieve a BREEAM excellent rating. A more efficient heating system will also improve the energy consumption of the school and assist in providing school environments more conducive to teaching and learning. The school's heating system is being designed to connect to the Bunhill District Heat Network.

Environmental and sustainability criteria formed part of the evaluation criteria used to select contractors on the IESE Framework.

4.5 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

The works will improve the quality of educational provision for all children at the school. The works will enable the school to better meet national guidelines for space standards and make significant improvements to the working environment for pupils and staff. Pupils will benefit from improvements to heating and lighting systems.

The new facilities will provide disabled access in compliance with the Equality Act 2010.

It is known that there are slightly higher proportions of Black and Minority Ethnic pupils and pupils whose first language is not English in community schools and investment in this project would have a positive benefit for those communities.

The proposed development will provide high quality facilities for all members of the community and allow the school to act as a social hub in the locality by improving community access and opportunities with dedicated spaces. It will also allow the school to extend and enhance its extended school agenda, thereby benefitting those areas of the community most in need, subject to relevant community consultation and any planning conditions.

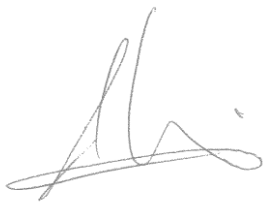
5 Conclusion and reasons for recommendations

The proposed development will significantly enhance facilities at Moreland Primary School and Children's Centre and will enable the further redevelopment of the Kings Square Estate. To meet the required completion date (September 2016), the programme Contract Close is scheduled for in April 2015. Approval is sought to award the contract to Morgan Sindall Group plc and to delegate powers to officers to finalise contract documentation.

Background papers: None

Final report clearance:

Signed by:



24 February 2015

Executive Member for Children and Families

Date

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