

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

8 SEPTEMBER 2011

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Children and Young People – Lead Cabinet Member – Councillor McCoy

PROCUREMENT OF A DESIGN AND BUILD CONTRACTOR AND AN ICT PROVIDER TO DELIVER NORTH SHORE HEALTH ACADEMY AND OTHER BATCHED PROJECTS

1. Summary

Stockton Borough Council were approached by Partnerships for Schools (PfS) as part of the Government's National Academies programme to provide developments for and on behalf of Academies sponsors, NHS Stockton and University of Teesside. The programme comprises of three projects; these are firstly North Shore Health Academy followed by Thornaby Academy and Freebrough Academy, the latter being in Redcar and Cleveland BC. This procurement will be structured to enable the Authority to request the appointed D&B contractor to engage in additional 'follow on' contracts. The programme also requires the procurement of an ICT Provider that will then have the opportunity to provide ICT hardware for each of the Academies. This report outlines the batched development programme which will be procured by Stockton Borough Council.

2. Recommendations

Cabinet is asked to approve: -

1. That delegated powers be given to the Head of Technical Services in consultation with the Cabinet Member for Children and Young People to procure a Design & Build Framework Contractor for the construction of the batched Academy programme.
2. That delegated powers be given to the Head of Technical Services in consultation with the Cabinet Member for Children and Young People to procure an ICT Services framework provider that will supply the Academy facilities.

3. Reasons for the Recommendations/Decision(s)

The government's funding allocations for the development of these Academies require that the processes of procurement and construction are carried out to a very tight prescribed timetable. It is recommended that stage approvals are determined through delegated powers as indicated above. Full details and timetable are indicated within this document.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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RECOMMENDATIONS

Cabinet is asked to approve: -

1. That delegated powers be given to the Head of Technical Services in consultation with the Cabinet Member for Children and Young People to procure a Design & Build Framework Contractor for the construction of the batched Academy programme.
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DETAIL

1. Several months after the stoppage of BSF, which occurred on 5th July 2010, Department for Education (DfE) advised the main sponsors of North Shore Health Academy (NSHA), (NHS Stockton) and Thornaby Academy (TA), (Teesside University), that funding had been allocated to enable the development of their buildings programmes to progress. At this time the Sponsor of Thornaby Academy (Teesside University) were also advised that one of their other joint ventures, Freebrough Academy Enterprise Facility, which they are developing in partnership with Redcar & Cleveland Borough Council, had also been allocated funding. Redcar and Cleveland have also indicated that the scope of works may increase at the Enterprise facility to include for adult start up business opportunities.
2. Funding allocations for these projects have been based upon a Partnerships for Schools surveyor's reports on the condition and capacity of the buildings within which the

Academies currently operate. The amount allocated by DfE through PfS to NSHA is £13.4m, to Thornaby is £5.5m and to Freebrough £2.8m.

3. Stockton Borough Council has been advised by PfS that procurement must be through the National PfS contractor's framework for Academies.
4. Within the Borough of Stockton-on-Tees the current allocation of funding has been targeted at NSHA and Thornaby Academy. To develop NSHA it is intended to provide a new build Academy facility on the former Tilery Sports Centre site. The development of Thornaby Academy will be through a remodelling of the existing buildings currently occupied by that Academy.
5. PfS have suggested that the two projects that are sponsored by Teesside University (at Thornaby Academy and Freebrough Academy) should be delivered as a batched project and they and the sponsor have expressed their preference for that batched project to be delivered through one Authority. Stockton-on-Tees is the Authority preferred by both PfS and Teesside University to carry out that procurement. Discussions have taken place with senior officers at Redcar and Cleveland Borough Council who are aware of the intended lead role by Stockton Borough Council. Their Members have in turn been briefed by those officers.
6. An additional strand of funding is available through the 'myplace' project to be developed on the same site as that proposed for the NSHA. This project was initially planned to be located in a stand alone building on the south west corner of the Tilery site. Big Lottery and the DfE have agreed for the funding streams to be conjoined and for the buildings to be integrated. The joined up approach will enable the NSHA and myplace to occupy spaces in one building. The financial advantage of these economies of scale enhances the overall project by drawing in a further £4.4m. The advantages to the operational activities and outputs of myplace are also significant. Myplace end users will have available to them all the facilities of the Academy during managed time periods that will be outside those of Academy curriculum timetabling. Academy students and staff will have opportunities to utilise myplace space during curriculum time. The additionality that this arrangement brings to both projects is extensive. It has been agreed with the NSHA sponsors and Big Lottery that they will take on the responsibility of operating and managing the myplace project.
7. Members will note that back in April 2011 DfE wrote to the Council suggesting that the funding would be withheld for MyPlace. Following a successful appeal against this decision the final funding allocation has now been secured and must be fully drawn down by October 2012.

Aim and Objectives

8. The aim for the batched programme is ***to provide new or remodelled premises for the Academies within the batch in a way that will deliver the following objectives:***
 - address the existing condition issues at each of the Stockton Academies
 - address the need for an Enterprise centre at Freebrough Academy
 - deal with local capacity issues
 - support these Academies in achieving their vision
 - enhance the students learning experiences;
 - encourage extended 'school' activity and integrated service provision;
 - support the Council's regeneration agenda.
 - provide suitable ICT infrastructure and hardware.

Constraints

9. The batching process requires that LA's firstly procure a framework contractor for one sample project. The process of delivering batched projects in this way may impose some constraint in terms of procurement timescales.

Project Controls

10. The Local Authority will act as the delivery agent for the three Academies. The Local Authority will manage the capital costs, programme and all risks and ensure all necessary approvals are gained. The Head of Technical Services will be the Project Owner and such will have complete governance of the programme of developments and will update members on progress accordingly.

Project Risks.

11. The Projects Team maintains a risk register which is updated monthly. All risks will be managed within the given budget. The risk register will be maintained throughout the period of procurement and throughout the period of construction until the end of the defects liability period. Any variation to the schemes where an additional cost is incurred will be managed within the scheme budget, if that is not possible the additional cost will be the responsibility of the Sponsors as defined in the Procurement Agreements between SBC and Academy Sponsors.

Next Steps

12. The table below shows the next steps to construction completion

North Shore Health Academy	Start	Finish
Appoint a Selected Contractor	7/11/11	7/11/11
Planning period	23/11/11	10/02/12
Financial close	10/02/12	10/12/12
Construction Period	27/02/12	29/03/13
Academy operational	08/04/13	08/04/13
Thornaby Academy		
Design development	08/11/11	23/12/11
Planning period	02/01/12	09/03/12
Financial close	09/03/12	09/03/12
Construction Period	19/03/12	15/02/13
Academy operational	25/02/13	25/02/13
Freebrough Academy – Enterprise Centre		
Design development	08/11/11	23/12/11
Planning period	02/01/12	09/03/12
Financial close	09/03/12	09/03/12
Construction Period	19/03/12	14/12/12
Academy operational	24/12/12	24/12/12

FINANCIAL IMPLICATIONS

13. Project management work will be carried out by Council staff funded from fees that are included within the project's funding allocation and from existing resources allocated to the Schools Capital Strategy within the Medium Term Financial Plan.

14. The ongoing revenue funding implications for the delivery of the myplace building and services has been agreed as the responsibility of North Shore Health Academy. There will not be an ongoing revenue commitment from the Local Authority.

LEGAL IMPLICATIONS

15. Prior to the start of procurement legal agreements will be in place between the Local Authority and the Academy Sponsors and the Local Authority and PfS. Prior to the start of construction legal agreements will be signed at financial close between the Authority and the selected bidder.

RISK ASSESSMENT

16. Developing these Academy buildings is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.
17. The Projects Team maintains a risk register which is updated monthly. All risks will be managed within the given budget. The risk register will be maintained throughout the period of procurement and throughout the period of construction until the end of the defects liability period. Any variation to the schemes where an additional cost is incurred will be managed within the scheme budget, if that is not possible the additional cost will be the responsibility of the Sponsors as defined in the Procurement Agreements between SBC and Academy Sponsors.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

18. The delivery of enhanced Academy facilities contribute to the regeneration and wellbeing of the local community. In particular the new facility at Tilery supports the housing regeneration at Swainby Road.

Safer Communities

19. The new Academy facilities will encourage extended school activities and integrated service provision that will help support wider access to the community.

Children and Young People

20. Investment in the new Academy facilities will improve the overall learning experience for pupils and support the Academies in achieving their vision.

Health and Wellbeing

21. The facilities will help promote a healthy lifestyle for the young people that will access them and the North Shore Health Academy has a particular focus on health outcomes.

Environment and Housing

22. The provision of high quality educational establishments will assist in an improved environment and support housing regeneration.

EQUALITIES IMPACT ASSESSMENT

23. The Schools Capital Programme has been subject to Equality Impact Assessments and have been judged to have a positive impact. Any firm proposal for change that might arise

from these new investments would be subject to a specific Equality Impact Assessment at that stage.

CORPORATE PARENTING

24. The Academies will provide a safe and welcoming environment for young people to learn in and this will ensure that they are given the best support possible through their educational career.

CONSULTATION INCLUDING WARD/COUNCILLORS

25. It is proposed that general consultation will take place with elected members (specifically ward members), sponsors, co-sponsors, NSHA, adjoining residents and young people during the design and construction process.

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Background Papers

None.

Ward(s) and Ward Councillors:

Not Ward specific.

Property:

These investments will address condition and capacity issues relating to schools buildings that are operated by Academy Sponsors. The Council is acting as procurement agent for these projects.