

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

7 MARCH 2013

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Children and Young People – Lead Cabinet Member – Councillor McCoy

ACADEMIES CONSTRUCTION AND ICT PROCUREMENT UPDATE

1. Summary

Stockton Borough Council was approached in 2010, 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 (now Northern Education Trust) and University of Teesside. The proposed three project programme comprises of North Shore Health Academy (now North Shore Academy), Thornaby Academy and Freebrough Academy, (the latter being in Redcar and Cleveland BC). The programme also required the procurement of an ICT Provider (or providers) that would have the opportunity to provide ICT hardware for each of the Academies. In September 2011 members approved a Cabinet Report giving delegated powers to the Head of Technical Services in conjunction with the Cabinet Member for Children and Young People to procure a Design & Build Framework Contractor for the construction of a batched Academy programme. Similar powers were approved for the procurement of an ICT Hardware provider for each Academy. This report is to update members regarding the significant progress that has been made with the procurement of each of these facilities.

2. Recommendations

Cabinet is asked to note: -

1. That the delegated powers indicated above have been exercised and that a Design & Build Contractor for the construction of the batched Academy programme has been procured.
2. That the delegated power to procure ICT Hardware Services framework providers has also been exercised and that ICT providers have been procured to supply those Academies.
3. The construction and ICT progress made to date at each Academy, detailed in this report

3. Reasons for the Recommendations/Decision(s)

It was requested by Members that updates should be provided at significant milestones of the programme. At this point in time, Freebrough Enterprise Centre has recently been completed and handed over to the Academy. ICT providers have also been procured for each of the three Academies within this batched programme. Full details and timetable are indicated within this document.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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SUMMARY

Stockton Borough Council was approached in 2010, 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 (now Northern Education Trust) and University of Teesside. The proposed three project programme comprises of North Shore Health Academy (now North Shore Academy), Thornaby Academy and Freebrough Academy, (the latter being in Redcar and Cleveland BC). The programme also required the procurement of an ICT Provider (or providers) that would have the opportunity to provide ICT hardware for each of the Academies. In September 2011 members approved a Cabinet Report giving delegated powers to the Head of Technical Services in conjunction with the Cabinet Member for Children and Young People to procure a Design & Build Framework Contractor for the construction of a batched Academy programme. Similar powers were approved for the procurement of an ICT Hardware provider for each Academy. This report is to update members regarding the significant progress that has been made with the procurement of each of these facilities.

RECOMMENDATIONS

Cabinet is asked to note: -

1. That the delegated powers indicated above have been exercised and that a Design & Build Contractor for the construction of the batched Academy programme has been procured.
2. That the delegated power to procure ICT Hardware Services framework providers has also been exercised and that ICT providers have been procured to supply those Academies.
3. The construction and ICT progress made to date at each Academy, detailed in this report.

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 Academy NSA, (at the time NHS Stockton now Northern Education Trust) and Thornaby Academy (TA), (Teesside University), that funding had been allocated to enable their buildings to be developed. 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 were developing in partnership with Redcar & Cleveland Borough Council, had also been allocated funding.
2. Funding for these projects were allocated through PfS (now renamed EFA; Education Funding Agency) to **NSA £13.4m**, to **Thornaby £5.5m** and to **Freebrough £2.8m**.
3. After a successful appeal made to the DfE an additional strand of funding was made available through the 'myplace' project to be developed on the same site as that proposed for the NSA. 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 agreed for the funding streams to be conjoined and for the buildings to be integrated. The joined up approach has enabled the NSA and myplace to occupy spaces in one multi use building. The financial advantage of these economies of scale enhances the overall project by drawing in a further **£4.4m for myplace** bringing the total for NSA myplace to £17.8m.
4. Stockton Borough Council was advised by PfS that procurement of a Design and Build contractor must be through the National PfS contractor's framework for Academies.
5. The funding at NSA will provide a new build Academy facility on the former Tilery Sports Centre site. The development of Thornaby Academy will be through a re-modelling of the existing buildings currently occupied by that Academy.
6. PfS suggested that the two projects that are sponsored by Teesside University (Thornaby Academy and Freebrough Academy) should be delivered as a batched project and they and the sponsor expressed their preference for that batched project to be delivered through one Authority. Stockton-on-Tees was the Authority preferred by both PfS and Teesside University to carry out that procurement. Discussions took place with senior officers at Redcar and Cleveland Borough Council who endorsed the intended lead role by Stockton Borough Council. Their Members were in turn briefed by those officers.
7. Included within each Academy funding envelope is an allocation for ICT hardware and software which is also being procured through Stockton Borough Council.

Project Controls

8. The Local Authority is acting as the delivery agent for the three Academies. The Local Authority has managed the capital costs, programme and all risks and is ensuring that all necessary approvals are being obtained. The Head of Technical Services is the Project Owner and as such has complete governance of the programme of developments.

Project Risks

9. The Projects Team maintains a risk register which is regularly updated. All risks are being managed within the given budget. The risk register has been maintained throughout the period of procurement and will continue to be throughout the period of construction until the end of the defects liability period. Variations to the schemes, where an additional cost is incurred, is being managed within each project budget, should that not be possible additional cost is the responsibility of the Sponsors as defined within the Agreements established between SBC and Academy Sponsors.

Selection and Appointment of Design and Build Contractor

10. The procurement of an Academies framework contractor was carried out by Technical Services Schools Capital Projects Team in accordance with guidance issued by PfS and in collaboration with SBC's Legal Department and Corporate procurement colleagues. The issue of a Pre Invitation to Tender Notice (PIN) attracted 11 of the 12 contractors on the Academies Framework. Through a rigid process of assessment, evaluation and moderation the long list of eleven was reduced to two. These two then engaged in a detailed design process for NSA as the sample scheme and were then invited to submit their tenders (ITT's). The tenders were then evaluated which resulted in **Carillion Construction Ltd** being selected as the preferred contractor. A short period of finalisation of documents and design development followed prior to the Final Business Case (FBC) being submitted to EFA for their approval. This was duly approved and a formal letter advising of the release of the funding was received on 10th February 2012, delegated approval and contract close immediately followed. Work commenced on site the following week.
11. Progress with the design development for the 'follow on' projects continued with Carillion. This then resulted in EFA and delegated approval of the FBC and contract close for the Freebrough project being achieved on 4th April 2012. That project also started on site the week following week.
12. The final "follow on project" Thornaby Academy, was granted FBC and delegated approval and achieved contract close on 21st June 2012. Work on the project commenced the following day.

Design and Build timetable and progress to date

13. The timetable below shows progress through procurement to construction completion

| North Shore Academy | Start | Finish | Progress |
|---|--------------------------------|--------------------------------|-----------------|
| Procure D&B Contractor | 7 th July 2011 | 7 th November 2011 | Complete |
| Planning consent | | 9 th February 2012 | Complete |
| Delegated decision | | 8 th February 2012 | Complete |
| Contract close | | 10 th February 2012 | Complete |
| Construction Period | 11 th February 2012 | 8 th April 2013 | On programme |
| Academy operational | | 15 th April 2013 | On programme |
| Thornaby Academy | | | |
| Design development | 7 th November 2011 | 13 th June 2012 | Complete |
| Planning consent | | 19 th June 2012 | Complete |
| Delegated decision | | 19 th June 2012 | Complete |
| Contract close | | 21 st June 2012 | Complete |
| Construction Period (phased handover) | 25 th June 2012 | 17 th June 2013 | On programme |
| Freebrough Academy – Enterprise Centre | | | |
| Design development | 7 th November 2011 | 27 th March 2012 | Complete |
| Planning consent | | 29 th March 2012 | Complete |
| Delegated decision | | 29 th March 2012 | Complete |
| Contract close | | 4 th April 2012 | Complete |
| Construction Period | 10 th April 2012 | 10 th December 2012 | Complete |
| Academy operational | | 10 th December 2012 | Complete |

Selection and appointment of an ICT hard/software provider

14. The procurement of an ICT Hardware and Software Provider for each Academy was carried out by Technical Services' Schools Capital Projects Team via the PfS ICT Services Framework. The Procurement was carried out in accordance with guidance issued by EFA and in collaboration with SBC's Legal Department and Corporate Procurement colleagues. This grouped procurement was set up such that all three Academies were included in one procurement, but resulted in each Academy appointing their own provider independent of the other two Academies.
15. An Invitation to Tender, (ITT) was issued to all the ICT Framework Providers on 29th February 2012 and a Bidders' Day was held on 1st March 2012. As a result three ITT responses were received on 26th March 2012. These tenders were then evaluated by all stakeholders and delegated approval was given, based on this evaluation, to select as preferred bidder **RM Education plc** for Thornaby Academy and Freebrough Academy and **CSE Education Ltd** for North Shore Academy.
16. A period of contract finalisation then took place and RM has now signed contracts with Thornaby and Freebrough, with CSE due to sign a contract with North Shore Academy by 8th February 2013. The contract values are £1,022,850 for NSA; £594,633 for Thornaby; and £753,541 for Freebrough.

ICT hard/software timetable and progress to date

17. The timetable below shows progress through procurement to ICT provider

| North Shore Academy | Start | Finish | Progress |
|---|-------------------------------|---------------------|-----------------|
| Procure ICT Contractor | 29th February 2012 | 8th February 2013 | On programme |
| Delegated decision | | 24th April 2012 | Complete |
| Contract Period | 8th February 2013 | 31st March 2015 | On programme |
| ICT operational | | 18th March 2013 | On programme |
| Thornaby Academy | | | |
| Procure ICT Contractor | 29th February 2012 | 20th July 2012 | Complete |
| Delegated decision | | 24th April 2012 | Complete |
| Contract Period | 11 th October 2012 | 31st March 2015 | On programme |
| ICT operational | | Phased installation | On programme |
| Freebrough Academy – Enterprise Centre | | | |
| Procure Contractor | 29th February 2012 | 20th July 2012 | Complete |
| Delegated decision | | 24th April 2012 | Complete |
| Contract Period | 25th July 2012 | 31st March 2015 | On programme |
| ICT operational | | Phased installation | On programme |

FINANCIAL IMPLICATIONS

18. Project management work is being carried out by Council staff funded from fees that are included within the project's funding allocation.
19. The ongoing revenue funding implications for the delivery of the myplace building and services has been agreed to be the responsibility of North Shore Academy. There will not be an ongoing revenue commitment from the Local Authority.

LEGAL IMPLICATIONS

20. Prior to the start of procurement legal agreements were put in place between the Local Authority, the Academy Sponsors and EFA. Prior to the start of construction legal agreements were entered into between the Authority and the Carillion Construction Ltd (the selected contractor).

RISK ASSESSMENT D& B and ICT

21. 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.
22. The Projects Team maintains a risk register which is regularly updated. All risks are being managed within the given budget. The risk register is being maintained throughout the period of procurement and throughout the period of construction until the end of the defects liability period. Variations to the schemes where additional cost is incurred is being managed within the scheme budget, should that not be possible additional cost is the responsibility of the Sponsors as defined within the Agreements established between SBC and Academy Sponsors.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

23. The delivery of enhanced NSA Academy facilities contributes 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

24. 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

25. 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

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

Environment and Housing

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

EQUALITIES IMPACT ASSESSMENT

28. The Schools Capital Programme has been subject to Equality Impact Assessments and has 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

29. 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

30. General consultation has taken place with elected members (and specifically ward members), sponsors, co-sponsors, NSA, adjoining residents and young people. This will continue during the construction process.

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Background Papers

Cabinet report September 8th 2011

Ward(s) and Ward Councillors:

Not Ward specific.

Property:

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