

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

1 NOVEMBER 2016

### REPORT OF THE DIRECTOR OF EDUCATION AND FAMILY SUPPORT

#### SCHOOL MODERNISATION PROGRAMME: OUTCOME OF THE SECOND STAGE OF THE TENDER PROCESS FOR THE DESIGN AND CONSTRUCTION OF BRYNMENYN PRIMARY SCHOOL

#### 1. Purpose of Report

- 1.1 The purpose of this report is to seek Cabinet approval to accept the contract sum provided by BAM Construction Ltd for the construction of Brynmenyn Primary School and approve the awarding of the contract, subject to Welsh Government funding approval.

#### 2. Connection to Corporate Plan/Other Corporate Priorities

- 2.1 The school modernisation programme supports many of the corporate priorities, in particular:
- Supporting a successful economy
  - Smarter use of resources

#### 3. Background

- 3.1 On 3rd March 2015, Cabinet approval was received for the Council to adopt revised principles as a framework for school organisation in Bridgend. Five key principles were set out to inform the organisation and modernisation of our schools:
- Commitment to high standards and excellence in provision.
  - Equality of opportunity, so that all pupils can access quality learning opportunities, regardless of which school they attend.
  - Inclusive schools, which cater for the learning needs of all their pupils.
  - Community focussed schools, where the school actively engages with its local community.
  - Value for money.
- 3.2 The Policy and Planning Framework sets out 17 areas where these principles should be applied in practice.
- 3.3 The principles which are particularly relevant in the context of this project are the size of primary schools (to ensure that “all Bridgend’s primary schools are large enough to make the full range of necessary provision”) and value for money, efficiency and effectiveness (“narrowing the gap between the most and the least expensive provision currently”).
- 3.4 In order to relieve the pressure on primary school places in the Valleys Gateway area, Cabinet gave approval for statutory procedures to be followed to make a

regulated alteration in respect of an enlargement to Brynmenyn Primary School and also gave approval for the proposed enlarged primary school to be relocated from its existing site at Bryn Road, Brynmenyn CF32 9LA to the site adjacent to Coleg Cymunedol Y Dderwen, Heol yr Ysgol, Ynysawdre CF32 9EL. The relocation of the school was not subject to statutory procedures as the proposed school site would be less than 1 mile from the existing school site.

- 3.5 The statutory process was undertaken as prescribed by the School Organisation Code. There were no objections to the proposal and on 1<sup>st</sup> September 2015, Cabinet determined to implement the proposal to open the enlarged primary school with effect from 1<sup>st</sup> January 2018. Subsequently a decision notice was issued in this regard on 7<sup>th</sup> September 2015.
- 3.6 Cross directorate meetings were held to determine the best way forward regarding the design and construction of the school. Officers agreed that the preferred option would be to utilise the existing, South East Wales Schools Capital Procurement Framework (SEWSCAP). Cabinet approved the use of the SEWSCAP framework in their meeting held on 27<sup>th</sup> October 2015 and Cabinet authorised the Director of Education and Transformation to determine the appropriate form of the contract for the design and build process based upon the recommendation of the appointed project manager and cost manager.
- 3.7 It was agreed in due course that the Council would pursue an NEC3 Option A fixed cost contract. The appointed project manager from Chandler KBS and cost manager from Mott Macdonald would look after the Council's interest in the project and manage the NEC contract on a day to day basis.
- 3.8 Council officers from the Legal, Procurement, Built Environment and Property sections were involved in the development of a two stage design and build contract to be let via a mini-competition process conducted under the SEWSCAP framework. The Project Manager co-ordinated the tendering process to ensure that the external project manager and cost consultant were appointed to look after the Authority's interest in the scheme, and fulfil their role effectively as per their contract.
- 3.9 Stage one of the chosen SEWSCAP framework involved contractors in Lot 4 being invited to tender against a range of quality and pricing criteria on the basis that if successful, they will be appointed at an early stage to work with the Council to finalise the design and the price.
- 3.10 The most economically advantageous tender received to undertake the initial pre-construction stage was from BAM Construction at the cost of £238,649.24. Delegated authority was received under delegated power CHI-PR-16-8 to appoint BAM Construction to undertake this work.
- 3.10 Stage two of the design and build procurement process chosen under the SEWSCAP framework involves the chosen contractor submitting the cost for the construction of the school. This tender figure will be used to submit the full business case (FBC) to Welsh Government.

#### **4. Current situation**

- 4.1 The Brynmenyn Primary scheme has since undergone significant design development, following consultation with relevant stakeholders. The planning application for the development was submitted and subsequently approved on 29<sup>th</sup> September 2016.
- 4.2 The tender price received on 22<sup>nd</sup> September 2016 for the construction of the new school was in excess of the budget available. A value engineering exercise was undertaken as permitted under the terms of the tender and the SEWSCAP framework and the final construction cost submitted on 4<sup>th</sup> October 2016 was agreed as £7,505,223.01. The total budget for the project is £8.15 million and includes the cost of professional fees, furniture and equipment and highways works.
- 4.3 The full business case (FBC) was submitted on the 6<sup>th</sup> October to Welsh Government for consideration by the Business Case Scrutiny Group. This will be followed by submission on the 20<sup>th</sup> October to the Capital Investment Panel where a final decision regarding the funding will be made.

#### **5. Effect upon Policy Framework and Procedure Rules**

- 5.1 There is no effect upon the policy framework or procedure rules.

#### **6. Equality Impact Assessment**

- 6.1 An Equality Impact Assessment has been undertaken; the assessment has concluded that there is no negative impact on the duties of the Council towards protected groups.

#### **7. Financial Implications**

- 7.1 The cost of constructing the new school for Brynmenyn will be met from the Welsh Government's 21st Century Schools Programme, for which the Council has had 'approval in principle,' and the Council's Capital Programme. The Authority has progressed the necessary business case procedures in line with Welsh Government requirements.
- 7.2 The costs of the scheme will be contained within the approved Capital Programme budget of £8.15 million. Some highways works are expected to be required to ensure safe access to the new school, but guidance from the Welsh Government explicitly states that *"where a capital project requires works to be done to improve highways access to the school this would not qualify for Welsh Government grant, and would fall to the Local Authority to fund"*. The highways works are currently estimated to cost in the region of £325,000, which is covered within the £8.15 million available budget. The Welsh Government will provide half of the funding for the eligible elements of the scheme with the remainder coming from capital receipts that Council has agreed will be ring fenced for the School Modernisation Programme and relevant S106 payments.
- 7.3 Any increase in funding due to the increased floor area in the new school will be met from within the overall Individual Schools Budget (ISB). Any efficiency savings

due to the school being more sustainable and energy efficient, or alternatively increased running costs, will have to be met from the school's delegated budget.

## **8. Recommendations**

### **8.1 Cabinet is recommended to:-**

Agree the contract sum submitted by BAM Construction Ltd for the construction of Brynmenyn Primary School and approve the awarding of the contract to BAM Construction Limited as the main contractor, subject to:

- (a) obtaining Welsh Government funding approval and receipt of the appropriate funding in due course, and
- (b) the final contract being approved by the Corporate Director Education and Family Support in consultation with the Corporate Director-Operational and Partnership Services and the Section 151 Officer .

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## **Background Documents**

Council Report 13th September 2006: "LEARNING COMMUNITIES – SCHOOLS OF THE FUTURE – STRATEGY, PRINCIPLES, POLICY AND PLANNING FRAMEWORK"

Cabinet Report 12th December 2006: "Learning Communities: SCHOOLS OF THE FUTURE" – SCHOOL MODERNISATION PROPOSALS"

Cabinet Report 2nd November 2010: "THE SCHOOL MODERNISATION PROGRAMME OVERVIEW AND BRIDGEND'S 21ST CENTURY SCHOOLS' STRATEGIC OUTLINE PROGRAMME SUBMISSION TO Welsh Assembly Government"

Cabinet report 21st February 2012: "SCHOOL MODERNISATION PROGRAMME: BRIDGEND'S 21ST CENTURY SCHOOLS' STRATEGIC OUTLINE PROGRAMME REVISED BAND A SUBMISSION TO WELSH GOVERNMENT"

Cabinet report 16<sup>TH</sup> SEPTEMBER 2014: "CONTINUED SUPPORT OF THE SOUTH EAST WALES SCHOOLS CAPITAL PROCUREMENT FRAMEWORK (SEWSCAP)"

Cabinet Report 13<sup>th</sup> January 2015: "SCHOOL MODERNISATION PROGRAMME: PROPOSAL TO CONSULT ON PRIMARY PROVISION IN THE VALLEYS GATEWAY AREA"

Cabinet Report 3<sup>rd</sup> March 2015: "PRINCIPLES DOCUMENT"

Consultation Document 23<sup>rd</sup> March 2015: "PROPOSAL TO MAKE A REGULATED ALTERATION IN THE FORM OF AN ENLARGEMENT TO BRYNMENYN PRIMARY SCHOOL AND RELOCATE IT INTO A NEW BUILDING ON SURPLUS LAND ADJACENT TO COLEG CYMUNEDOL Y DDERWEN"

Cabinet Report 16<sup>th</sup> June 2015: "SCHOOL MODERNISATION PROGRAMME: OUTCOME OF CONSULTATION ON PROPOSAL TO MAKE A REGULATED ALTERATION IN THE FORM OF AN ENLARGEMENT TO BRYNMENYN PRIMARY SCHOOL AND RELOCATE IT INTO A NEW BUILDING ON SURPLUS LAND ADJACENT TO COLEG CYMUNEDOL Y DDERWEN"

Cabinet Report 1<sup>st</sup> September 2015: "OUTCOME OF PUBLIC NOTICE ON THE PROPOSAL TO RELOCATE BRYNMENYN PRIMARY SCHOOL TO LAND ADJACENT TO COLEG CYMUNEDOL Y DDERWEN AND MAKE A REGULATED ALTERATION IN THE FORM OF AN ENLARGEMENT"

Decision Notice 7<sup>th</sup> September 2015: "PROPOSAL TO MAKE A REGULATED ALTERATION TO BRYNMENYN PRIMARY SCHOOL, BRYN ROAD, BRYNMENYN, BRIDGEND, CF32 9LA IN THE FORM OF AN ENLARGEMENT TO THE SCHOOL AND RELOCATING THE SCHOOL TO A NEW BUILDING ON LAND ADJACENT TO COLEG CYMUNEDOL Y DDERWEN"

Cabinet Report 27<sup>th</sup> October 2015: "PROCESS FOR THE PROCUREMENT OF THE CONTRACTOR FOR BRYNMENYN PRIMARY SCHOOL"