

Exempt or confidential report

The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information given in **Appendix 1** of this report and it is therefore exempt from publication. Members and officers are advised not to disclose the contents of this report:

Information relating to the financial or business affairs of any particular person (including the Authority holding that information)

Committee: Cabinet

Date: 17 May 2017

Agenda item:

Wards: Perseid School is located in St. Helier Ward but serves a wider area

Subject: Expansion of Perseid School (Upper campus) – contract award for construction works

Lead officer: Yvette Stanley - Director of Children, Schools and Families

Lead member: Cllr Caroline Cooper-Marbiah – Cabinet member for Education

Contact Officer: Tom Procter – Head of Contracts and School Organisation

Recommendations:

- A. The council award the contract for the school expansion construction works for Perseid School as outlined in the confidential appendix.
 - B. To agree that the 2016/17 unspent schemes budget can be slipped to 2017/18 and to vire £254,000 within the Children, School and Families capital programme as set out in the financial implications section in appendix 1
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Perseid Special School provides for children with severe and complex learning difficulties. The purpose of this report is for Cabinet to approve the contract award following a competitive tender process and to vire £254,000 from a Children, Schools and Families capital underspend to ensure there is sufficient budget to progress the scheme.

2 DETAILS

- 2.1. Perseid Special School provides for children with severe and complex learning difficulties for children on two sites – a lower school for nursery to the end of the primary phase (age 11) and an upper phase for secondary and post-16 (age 11 to 19).
- 2.2. To meet demand the lower school expanded from 56 to 84 pupils and is essentially full to the revised capacity. This cohort of children start to reach upper school age in September 2017 so there is an urgent need to expand

- the Upper School to meet demand, and so also provide for 84 places for ages 11-19. For some time, provision for this expansion of an additional 28 places has been planned in the council's capital programme.
- 2.3. Officers have worked closely with the school to develop a suitable scheme. This has been particularly challenging as the original school was built on a playing field with relevant planning restrictions, the aim to ensure the school building can still function as now to serve the school in grouped National Curriculum Key Stage age phases, and the ventilation strategy required for children with specific special needs. As a result the expansion is more complicated than originally envisaged with extensions in three separate places. The scheme was approved by the Planning Application committee on 20 April 2017.
- 2.4. With regard to procurement strategy, experience from recent tenders suggested that medium sized management contractors are currently providing competitive prices for this value of work. Therefore, in accordance with treaty principles and in order to ensure good competition, it was decided that a procurement process that was initially accessible to all firms for selection would provide the best value for money.
- 2.5. The works were therefore procured through a restrictive procurement process in compliance with Contract Standard orders and the Public Contract Regulations 2015 (sub-OJEU). The process was undertaken through the ProContract London tenders portal E-tendering system.
- 2.6. The selection stage enabled a short list of five suitably experienced construction companies to be shortlisted through submissions of a Selection Questionnaire, and then the selected contractors were invited to tender on the basis of compliance and price.
- 2.7. The second stage tender documents were issued to five contractors for return on 11 April 2017. The confidential appendix to this report details the tender analysis and recommendation.

3 ALTERNATIVE OPTIONS

- 3.1. Since the Lower School has already been expanded the only practical option to ensure a consistent education is to expand the upper school to match the capacity of the lower school.
- 3.2. The design team progressed a number of alternative options with the school before agreeing the design strategy that was progressed
- 3.3. As outlined in section two, a review of procurement options concluded that best value for money could be achieved through a restricted competitive tender rather than accessing a compliant Framework.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.4 The scheme was developed in consultation with the school and the design was subject to consultation as part of the planning application requirements.

5 TIMETABLE

- 5.1. The works will commence shortly after this approval. A phased approach is required to ensure the school can continue to operate during the construction works and it is expected they will be completed in early 2018.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. The capital budget implications are contained in the confidential appendix.
- 6.2. With regard to revenue funding for school placements, if this scheme does not proceed the council would still have a statutory obligation to provide a school place for the children and, without any places in its special schools, it would need to be Independent special school provision. The average cost per place for an Independent day-provision is £44,163 when the cost for Perseid is £29,290. There is therefore a significant financial incentive to provide sufficient in-house provision, in addition to the need to provide continuity for the children. Costs are currently charged to the Dedicated Schools Grant (DSG) which is a fixed government grant and the new school funding arrangements may contribute to putting future cost pressure on the High Needs Block element. There is therefore a risk that if cost pressures continue and depletes the DSG reserve, that our statutory duty to provide education services may need to be topped up from the Council's General Fund.
- 6.3. The council's General Fund needs to meet the cost of home to transport for children. Officers have demonstrated that this cost is considerably less expensive when transporting to a LB Merton state funded special school compared to an independent or out borough school. This expansion will therefore reduce the impact on home to school transport costs from additional SEN children.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. This is a below OJEU threshold procurement and accordingly is not subject to the full rigours of the public contract regulations, but has been procured in accordance with the Treaty principles of transparency, equal treatment and non-discrimination and in accordance with the tender documents issued to all bidders.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. Additional school places at Perseid School will contribute to the Authority providing access to secondary school places for all its residents, including children with special educational needs (SEN).

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. There are no specific crime and disorder implications

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. All capital schemes have a financial risk but the scheme is recommended to be awarded with a contingency.

- 10.2. Health and safety is being considered carefully to ensure there will be a clear separation between pupils, teachers and parents and construction works, especially in the context of a working school.
- 10.3. The project is being managed under project management methodology and a risk log is held and reviewed at project board meetings.
- 11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**
- 11.1. Appendix 1 (exempt)
- 12 BACKGROUND PAPERS**
- 12.1. None