

## **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)

## **Chief Officer Key Decision**

**Date: 27 February 2018**

**Wards:** Abbey ward

**Subject:** High Path Resource Centre – construction works contract approval for 21 Leyton Road to provide new premises

**Lead officers:** Andy Ottaway-Searle, Head of Service Provision, Community and Housing

Yvette Stanley - Director of Children, Schools and Families

**Lead members:** Tobin Byers - Cabinet Member for Adult Social Care and Health

Mark Allison – Deputy Leader and Cabinet Member for Finance

Cllr Caroline Cooper-Marbiah – Cabinet Member for Education

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

---

### **Recommendations:**

- A. To award the contract for refurbishment and extension works at 21 Leyton Road to provide new premises for High Path Community Resource Centre as outlined in the confidential appendix.
- 

## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

1.1 On 4 July 2016 Cabinet agreed that the High Path Community Resource Centre site should be part of the land assembly for the new Harris Wimbledon School, with the Resource Centre moving to an adapted and extended 21 Leyton Road SW19 to provide an equivalent facility.

1.2 The purpose of this report is to approve the contract award for the relevant construction works following a competitive tender process.

## **2 DETAILS**

### **Background**

- 2.1. High Path Community Resource Centre is primarily a day centre for adults with learning disabilities. However, it is also a general community resource centre with uses such as for Uptown Youth Group, West Indian Friends and Families Association (WIFFA), Phab, Merton Mencap, the Outreach team, community hairdresser, Community Payback Service, Job Club, Employment Team, and a meeting place for groups such as Merton Carers Group, Disability Partnership Board, The Merton Learning Disability Team and for Councillor surgeries and resident meetings.
- 2.2. On 4 July 2016 Cabinet agreed that the High Path Community Resource Centre site should be part of the land assembly for the new Harris Wimbledon School, with the day centre service moving to an adapted and extended 21 Leyton Road SW19 1DJ at a cost of circa £1.2 million.
- 2.3. The new building provided the opportunity to agree a fit for purpose building to meet the current and potential future needs of the service, with the building being fully refurbished, with adaptations where needed and an extension to provide an improved lobby area at the front entrance, and a multi-use hall facing the rear gardens.
- 2.4. Officers have worked closely with service users and carers to develop a suitable scheme. The Leyton Road steering group has met several times since December 2016 and it gives service users and carers a forum to meet with the project leads, to provide their perspectives on the development of the new site for the High Path Community Resource Centre, and to offer their input on design and decoration in the Leyton Road site.
- 2.5. The steering group has been useful in keeping service users and carers involved in tracking the progress of the project, and the knowledge that they are being included and given a voice in the project has helped service users get used to the idea of moving centres. The plans for the new centre have met with the approval of the members of the steering group.

### **Procurement**

- 2.6. With regard to procurement strategy, the works were procured through an open tender through the ProContract London tenders portal E-tendering system, in compliance with Contract Standing orders and the Public Contract Regulations 2015 (sub-OJEU). The works were advertised on the portal with the return date of 9 February 2018.
- 2.7. The tender evaluation was advertised on the basis of 70% price and 30% quality. Quality was assessed on the basis of five criteria relating to project management, risk management, quality management, communication management, site management and sustainability
- 2.8. Bidders were required to provide a full priced submission based on the council's tender documents and to provide a formal price offer capable of acceptance by the Council
- 2.9. The form of contract for the Works will be the JCT Design and Build, 2016 Edition ("the Contract").
- 2.10. The confidential appendix to this report details the tender analysis and recommendation.

### **3 ALTERNATIVE OPTIONS**

- 3.1. The moving of the High Path Community Resource Centre from High Path to Leyton Road followed an extensive search for a new secondary school which is fully documented in the July 2016 report; it was originally an exempt report but was published as an appendix to the 11 December 2017 Cabinet report on school expansion
- 3.2. While the intention of this scheme is to facilitate the new secondary school, a wider appraisal also illustrates that as a standalone scheme this offers best value for the council. As stated earlier in this report, the Adult Social Care service see this move as being beneficial in providing a fit for purpose refurbished building.
- 3.3. In terms of cost, while both 21 Leyton Road and the High Path Community Resource Centre have asset valuation figures of below £600,000, if they became surplus for disposal the council would seek a higher value based on alternative use. As a comparison, the council has needed to purchase the Domex site for £6.1 million due to its potential for housing, subject to planning permission, and the Day Centre site is larger than Domex. It is therefore a reasonable assumption that the value based on residential is at least £6 million, which could be justified in planning policy terms if the Domex and Day centre sites were ever to have alternative use to the currently planned school.
- 3.4. While residential development could be sought for 21 Leyton Road, its location in an area of low rise development would mean its value is substantially less than that the High Path Community resource centre site
- 3.5. Therefore, in the unlikely event that the school did not proceed, the council would have a high value site surplus at much greater value than the £1.2 maximum capital spend on 21 Leyton Road which could be used to support the regeneration of High Path and Adult Social Care would have a building which is fit for purpose.
- 3.6. With regard to the procurement options, a review concluded that best value for money could be achieved through an open competitive tender rather than accessing a compliant Framework, since the size of the works meant that it was more likely to be attractive to companies that are not on regional and national frameworks.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.4 The scheme was developed in consultation with users and carers in a steering group which meets at regular intervals.

### **5 TIMETABLE**

- 5.1. The works will commence shortly after this approval and a mobilisation period. The contract period is 24 weeks so works are expected to be completed in September 2018, allowing time for the service to then move into the new building during October 2018.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. The contract price is within the £1.2 million estimated budget for this component of the scheme and the overall budget for the Harris Wimbledon school authorised by Cabinet on 4 July 2016.
- 6.2. With regard to the wider scheme the EFSA (Education and Skills Funding Agency) is meeting the full cost of adapting Whatley Avenue for a temporary school and to build the new school at High Path (circa £25-30 million). The Council's costs are for site purchases and construction projects to enable a clear site at High Path. The EFSA has also agreed to make a payment to the Council of £5.85 million in return for the 125 year lease, £1 million of which was identified to contribute to the Leyton Road works costs. The Council's capital programme currently provides the following funding for the Council's contribution to the new school. This includes all associated costs and fees to provide a clear site, and project contingencies.

<b>2.</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
Expenditure	6,558,600	700,760	5,740,490	1,600,000	14,599,850
Capital grant agreed by the DfE *					(5,850,000)
<b>Net cost to the Council</b>					<b>8,749,850</b>

\*Subject to completing the lease - Draft lease confirms 75%: £4,387,500 to be paid on exchange of conditional contracts and 25%: £1,462,500 to be paid on completion of the lease i.e. vacant possession.

- 1.1. The present High Path Resource Centre land will be part of the land to be leased for 125 years for the Harris Wimbledon Secondary School, as approved by Cabinet on 4 July 2018.

## **2 LEGAL AND STATUTORY IMPLICATIONS**

- 2.1. This report details a below OJEU threshold procurement and accordingly is not subject to the full rigours of the public contract regulations as stated in paragraph 2.6. The report details the advertising process and appears to be compliant with the Treaty principles of transparency, equal treatment and non-discrimination as well as the Contract Standing Orders.
- 2.2. The Council should ensure that it meets its obligations in relation to the publication of opportunities and contract award as contained in the Public Contracts Regulations 2015 Chapter 8 and Contract Standing Order 19 .

## **3 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 3.1. An Equality analysis on the new school project and its impact was undertaken in July 2016 and reappraised in November 2017. In relation to the High Path Resource Centre it identified the potential negative impact of users of the Adults Day Centre being required to move to new site, but with the action to mitigate as follows: Consultation with existing service users;

new transport arrangements in place; advice re travel for users not provided with council transport.

- 3.2. Since this time officers in the service have worked closely with service users and are now confident that the move to new refurbished and fit for purpose premises will be positive for service users, while needing to continue to manage the move positively.

#### **4 CRIME AND DISORDER IMPLICATIONS**

- 4.1. There are no specific crime and disorder implications

#### **5 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 5.1. All capital schemes have a financial risk but the scheme is recommended to be awarded with a contingency.
- 5.2. Health and safety is being considered carefully but this scheme has less risk than most as it is a vacant site.
- 5.3. The new school project is being managed under project management methodology and a risk log is held and reviewed at project board meetings.

#### **6 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- 6.1. Appendix 1 (exempt)

#### **7 BACKGROUND PAPERS**

- 7.1. None