

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: 9 November 2020

Agenda item:

Wards: Melrose School is located in Cricket Green Ward but serves a wider area

Subject: Expansion of Melrose School – contract award for construction works

Lead officer: Rachael Wardell - Director of Children, Schools and Families

Lead member: Cllr Eleanor Stringer – 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 Melrose School as outlined in the confidential appendix 1
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Melrose School is a special school for children with Social, Emotional and Mental Health needs. The purpose of this report is for Cabinet to approve the contract award following a competitive tender process that will allow the expansion of the school including the provision of a primary department, as approved by Key Decision in August 2020.

2 DETAILS

- 2.1 Melrose School is a 'Good' special school with "consistently strong teaching across the school for children with Social, Emotional and Mental Health needs (SEMH).
- 2.2 The London Borough of Merton has a legal obligation to provide sufficient school places for its area and there is a significant increase in demand for special school places.
- 2.3 Melrose School provides value for money compared with non-maintained or independent special school provision and so meets the objective to provide suitable, high quality places to meet the growing number of SEND children.

- 2.4 The council completed the statutory process of expanding the school, and the following proposal was agreed by the Director of Children, Schools and Families in August 2020:
- To lower the age range from 11-16 years old to 4-16 years old through the introduction of 24 full time equivalent places in the primary phase for children aged 4 to 11 and to also increase the number of places in the secondary phase of the school to 54. The school would therefore have a total capacity for 78 pupils.
- 2.5 The proposed expansion will be enabled by a physical extension to the school in three distinct areas:
- A specific primary phase will be built with a dedicated entrance and site area
 - In the secondary phase the current, inadequate hall will be converted to become two classrooms. This will allow a distinct area for more vulnerable secondary SEMH pupils or SEMH girls, depending on the referrals and cohort
 - A new hall facility will be provided that can be timetabled to be used at separate times by primary age and secondary age children
- 2.6 The procurement of a constructor has been undertaken through an OJEU restricted tender process, with five firms short-listed following a Standard Selection Questionnaire (SQ) on the basis of quality, and then appointment is made in the ITT stage on the basis of price, based on itemised pricing schedules.
- 2.7 The process was undertaken through the ProContract London tenders portal E-tendering system. 21 responses were received and in addition to compliance questions, contractors were scored on a number of questions as follows:
- *Where sub-contract healthy supply chains with your sub-contractor(s)*
 - *Company's experience of working in a school environment.*
 - *Company's experience and approach to working in occupied school sties with nearby residents in close proximity.*
 - *Company's H&S management approach*
 - *Managing the Clients financial risk, and to managing contract cost variations.*
 - *Environmental management*
 - *Accurate contract programming.*
 - *Quality on site*
 - *Value Engineering*
 - *Environmental management policy*
- 2.8 This enabled the highest scoring five suitably experienced construction companies to be selected for an invitation to tender (ITT). The ITT selection was on the basis of compliance and lowest price.
- 2.9 The ITT confirmed tenders were required to include as a minimum:
- A priced version of the contract preliminaries document

- A priced pricing document
- A completed and signed Form of Tender / Non-Collusion declaration – see separate word document.
- A detailed project GANT chart programme

2.10 The ITT also confirmed that price evaluation was in accordance with the JCT Practice Note: Tendering 2016, with errors dealt with in accordance with Alternative 2.

2.11 The tender documents were issued to five companies on 11 September 2020 with a return date of 9 October 2020 that was extended to 16 October 2020 following representation from a number of the companies selected.

2.12 The confidential appendix details the tender returns.

3 ALTERNATIVE OPTIONS

3.1 The procurement approach was agreed following a report to the council's procurement board.

3.2 The issues on expanding the school and alternative options were considered in the school expansion Key Decision report agreed by the Director of Children, Schools and Families in August 2020.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.4 The expansion of the school was subject to a statutory consultation as outlined in the Key Decision report (see section 12 "Background Papers" of this report for a link to that report).

5 TIMETABLE

5.1 The works will commence shortly after this approval. It is planned to be completed for September 2021 to enable the school to vacate its temporary expansion provision.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

Finance

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 significantly more than the cost for Melrose. There is therefore a significant financial incentive to provide sufficient in-house provision, in addition to the need to provide continuity for the children. School placement costs are currently charged to the Dedicated Schools Grant (DSG) which is a fixed government grant.

- 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 per child home to school transport costs from SEND children.

Property

- 6.4 The effective expansion of Melrose primary provision requires a small parcel of land adjacent to the school that was formerly a scout hut. This land will formally be transferred to be part of Melrose School.

7 LEGAL AND STATUTORY IMPLICATIONS

- 3.1 The contract value is below the OJEU threshold for works contracts and as such there is no requirement to observe a 10-day standstill period unless this has been stated in the procurement documents. Although the value is below the relevant threshold and therefore not subject to the full scope and extent of the Public Contracts Regulations 2015 (PCR), the procurement must still be compliant with the Council's standing order, principles of equality, transparency as required by treaty obligations relating to procurement.
- 3.2 It will be necessary to ensure that the relevant award notification is published on Contracts Finder in accordance with the PCR and on the Council's Contracts Register and Contracts Finder as required by CSO 19.2.4.
- 7.1 The Report describes a process that is compliant with the PCR and the Council's Standing Orders.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1 Additional school places at Melrose 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 Planning permission for the scheme was approved by Planning Applications Committee on 22 October 2020.
- 10.2 All capital schemes have a financial risk but the scheme is recommended to be awarded with a contingency.
- 10.3 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.
- 10.4 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. LINKED DOCUMENTS

12.1 Key Decision report for Prescribed alteration of the Melrose School:

<https://mertonintranet.moderngov.co.uk/ieDecisionDetails.aspx?id=1037&LLL=0>

13 BACKGROUND PAPERS

13.1 None

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