

Birmingham City Council

Report to Cabinet

Date: 30th July 2019



Subject: KINGS NORTON BOYS' SCHOOL – FULL BUSINESS CASE AND CONTRACT AWARD

Report of: Director for Education and Skills
Dr Tim O'Neill

Relevant Cabinet Member: Cllr Jayne Francis - Education, Skills and Culture
Cllr Tristan Chatfield - Finance and Resources

Relevant O &S Chair(s): Cllr Kath Scott - Education and Children's Social Care
Cllr Sir Albert Bore - Resources

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Bournville & Cotteridge		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 006756/2019		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : Appendix 1 – paragraph 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)		

1. Executive Summary

- 1.1 To seek approval to the Full Business Case for the capital scheme at Kings Norton Boys' School as described in **Appendix A**. The capital cost of the scheme will not exceed £2,573,866.

- 1.2 To provide details of the outcome of the procurement process undertaken for the demolition of the existing sports hall and the refurbishment of the existing classrooms at Kings Norton Boys' School.
- 1.3 **Exempt Appendix 1** contains further information.

2. Recommendations

That Cabinet:

- 2.1 Approves Full Business Case (**Appendix A**) for the capital works at Kings Norton Boys' School at a total project cost of up to £2,573,866, which includes £74,967 of Edl fees.
- 2.2 That Cabinet notes the award of the contract on behalf of the Council by Acivico Ltd for the provision of works, as set out in **Exempt Appendix 1**.
- 2.3 Authorises the Director for Education and Skills in consultation with the Cabinet Member for Finance and Resources to instruct Acivico to raise work orders up to the value of £2,246,927.72 (including £32,937 for ICT and £13,620 for loose furniture) with the successful contractor (as outlined in **Exempt Appendix 1**) in order for works to commence and to release contingencies and place further orders up to £93,021 if required.
- 2.4 Approves orders up to the value of £158,950 with Acivico for professional services.
- 2.5 Authorises the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.

3. Background

- 3.1 The Local Authority has a statutory duty to ensure that there are sufficient pupil places, secure diversity in the provision of schools and increase opportunities for parental choice through planning and securing additional provision (Section 14, Education Act 1996 and Education & Inspections Act 2006). This duty extends to our landlord responsibility to maintain the Education property portfolio to prevent school closure and asset failure, thus improving safeguarding for children.
- 3.2 The second phase of the Priority Schools Building Programme ("PSBP2") concentrates on the rebuilding or refurbishment of individual school and college buildings or blocks in the worst conditions. The DfE has been provided with a long term capital settlement in order to address the condition of the school and college estate. The majority of this funding will be allocated directly to those who are responsible for maintaining school or college buildings, so that they can determine priorities at the local level.
- 3.3 Due to the success of the Priority Schools Building Programme (PSBP) Phase 1 the DfE invited bids to Phase 2 of the PSBP for schools in need of urgent repair. 12 Birmingham Schools were successful in securing funding, one of which was Kings Norton Boys' School.

- 3.4 The works approved by the DfE include the demolition of existing blocks, New build replacement sports hall facilities with associated external works and refurbishment of the rooms adjacent to the main hall to re-provide the SEN facilities. The new facilities will be provided prior to removal of existing facilities.
- 3.5 In 2018 the ESFA undertook their own Business Case review for this scheme as part of the PSBP2 funding initiative from central government and approved subject to procurement of contractor, relevant statutory approvals and Local Authority's gateway approvals.
- 3.6 Subject to Cabinet Approval works are due to start on site in October 2019 and completed in September 2020.

4 Options considered and Recommended Proposal

- 4.1 The option of doing nothing would mean the City Council would fail to meet its statutory obligation in providing appropriate provision to meet the needs of the children.
- 4.2 The option to refurbish the sports hall / gym was considered but ruled out on the basis of the cost and the impact on educational continuity.
- 4.3 The preferred option was to provide a new facility which is more cost effective and will ensure that the current hall continues to be used to provide the curriculum and facilitate exams. The new provision will be provided first in a new location and the existing hall will then be demolished.

5 Consultation

External

- 5.1 All pupils, parents, governors, teaching and non-teaching staff have been consulted as a result of the proposed development and were supportive.

Internal

- 5.2 The Leader and Ward Members for Bournville & Cotteridge have been consulted in relation to the proposals. Comments received were supportive.

6 Risk Management

- 6.1 Planning Permission is in place for the construction and location of the new sports hall ref 2017/10199/PA
- 6.2 Monthly meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track. Where costs are seen to escalate, a value engineering exercise is undertaken to ensure that the costs do not exceed the approved budget
- 6.3 Extensive work on a live site – Safeguarding and educational continuity will be of paramount importance throughout the life of this project.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 These works are required to enable the Local Authority to meet its statutory duty to not only ensure the provision of sufficient sports education and SEN provision at Kings Norton Boys' School but also to secure diversity in the provision of schools and increase opportunities for parental choice through planning (Section 14 Education Act 1996 and Education & Inspections Act 2006). The spending priorities proposed are in accordance with the Schools' Capital Programme 2019-20 and the Council's Vision and Forward Plan priorities for Children, particularly 'A great place to grow up in by providing an environment where children have the best start in life and are able to realise their full potential through great education'.

7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

The recommended contractor is a certified signatory to the BBC4SR and has produced an action plan with commitments proportionate to the value of the proposed contract. These commitments will be managed and monitored during the contract period.

7.2 Legal Implications

7.2.1 This report facilitates the discharge of the local authority's duty under section 14 of the Education Act 1996 to ensure that sufficient schools are available to provide for all pupils the opportunity of appropriate education. The authority is also under a duty to maintain the school pursuant to section 22 of the School Standards and Framework Act 1998. The financial and commercial information contained in **Exempt Appendix 1** is confidential information because it was provided as part of the tender process and includes details of the successful tenderer for the recommended contract award, and also because they have not been informed of the outcome

7.3 Financial Implications

7.3.1 The cost of the works at Kings Norton Boys' School will be funded from Department for Education PSBP2 programme (**Appendix B**) and the Local Authority's School Condition Allocation as outlined in **Appendix A**. The capital cost of the scheme will not exceed £2,573,866.

7.4 Procurement Implications (if required)

7.4.1 Reasons why CWM route was not taken

Birmingham City Council's Construction West Midlands (CWM) framework was not used, due to the Education and Skills Funding Agency's (the primary funder for the project) requirement for a contractor to be selected in open competition.

7.4.2 Invitation to Tender (ITT) Stage

Evaluation and Selection Criteria

The quality / price / social value balances below were established having due regard for the corporate document 'Advice and Guidance on Evaluating Tenders' which considers the complexity of the services to be provided. The tender documents included the form of contract; (JCT Design and Build Contract, 2011 Edition) with the Council's amendments, specification and standard details.

Tenders were evaluated against the specification in accordance with a pre-determined evaluation model.

The evaluation of tenders were assessed as detailed below:

Assessment A

The criteria below, based on the Construction Prequalification Standard, were assessed on a pass / fail basis:

- Supplier Information
- Economic / Financial Standing
- Health and Safety / Construction Design Management
- Business and Professional Standing
- Equality Legislation
- Environmental and Sustainability Management
- Statement of Good Standing
- Economic and Financial Standing
- Compliance with the Birmingham Business Charter for Social Responsibility

Assessment B - Quality

Criteria	Overall Weighting	Sub-Weighting
Quality - Written Proposals (50% Weighting)		
Project Management	100%	50%
Project Resources		30%
Quality Management		20%
Project Methodology		30%

Assessment C – Social value

Criteria	Overall Weighting	Sub-Weighting
Social Value - Written Proposals (10% Weighting)		
Local Employment	100%	15%
Buy Local		15%
Partners in Communities		25%
Good Employer		25%
Green and Sustainable		10%
Ethical Procurement		10%

Assessment D – Pricing (Weighting 40%)

Tenderers were requested to submit a fixed price tender with the works to be undertaken.

Overall Evaluation

The evaluation process resulted in comparative quality, social value and price scores for each tenderer. The maximum score was awarded to the tender that demonstrated the highest for quality. The maximum score was awarded to the tender that demonstrated the highest score for social value. Similarly the maximum price score was awarded to the lowest acceptable price. Other tenderers were scored in proportion to the maximum scores in order to ensure value for money.

Tender Process

The contract was advertised on 2nd September 2017 in the Contracts Finder and on www.finditinbirmingham.com seeking expressions of interest from organisations who wished to tender for the opportunity described in the advertisement. In response to the advertisement, 46 companies expressed an interest and downloaded the Invitation To Tender (ITT) documentation to complete. 5 companies responded as requested by the deadline and 41 effectively withdrew themselves at this stage by not returning an ITT.

Evaluation of Tenders

The evaluation was undertaken by officers from Acivico Ltd.

Further details of the evaluation process in the accompanying **Exempt Appendix 1**.

Contract Management

The contract will be managed by Acivico Ltd.

7.5 Human Resources Implications (if required)

7.5.1 N/A

7.6 Public Sector Equality Duty

7.6.1 A Full Equality Analysis (EA0001202) was carried out in May 2016 for Education Infrastructure's Education Development Plan and Schools' Capital Programme 2019-20. The outcomes from consultation demonstrate that proposed capital developments support positive outcomes for children, young people, their families and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances, and supports a positive approach to Safeguarding in Birmingham: actively reducing the number of children and young people out of school helps to mitigate risk to their safety

and wellbeing. We have assessed the content and can confirm that it still remains relevant as the works to provide new sport facilities and two classrooms will have a positive impact.

8 Appendices

- 8.1 Appendix A - Kings Norton Boys' School Full Business Case
- 8.2 Appendix B - Kings Norton Boys' School (FBC) DoE Approval
- 8.3 Exempt Appendix 1

9 Background Documents

- 9.1 Schools' Capital Programme - School Condition Allocation 2019-20+ Future Years Cabinet Report – Cabinet Approval on 26th March 2019
- 9.2 Changing demand and supply of school places – Overview & Scrutiny Report – September 2018