

Birmingham City Council

Report to Cabinet Members Education, Skills & Culture and Finance & Resources



Date: 28th April 2020

Subject: FULL BUSINESS CASE AND RECOMMENDED CONTRACT AWARD FOR THE CAPITAL SCHEME AT THE FORMER NURSERY UNIT ON BELGRAVIA ROAD (CALTHORPE ACADEMY)

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

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): Balsall Heath West		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
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 checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1. Executive Summary

- 1.1 To seek approval of the Full Business Case for the capital scheme at the former nursery unit on Belgravia Road to provide additional places for 40 SEND pupils as described in **Appendix A**.

2 Recommendations

That the Cabinet Members for Education, Skills and Culture and for Finance and Resources:

- 2.1 Approve the Full Business Case (**Appendix A**) for the capital works at the former nursery unit on Belgravia Road at a total project cost of up to £916,930 including Acivico QS fees of £4,000 and EdI fees of £26,706
- 2.2 Authorise the Director for Education & Skills to make a grant payment of up to £886,224 (for the construction element of the capital works only) to Calthorpe Academy from the Special Provision Fund Allocation (SPFA).
- 2.3 Note the recommended contract award to Hardyman Group Ltd. by Calthorpe Academy on the basis of their submission being ranked first after the evaluation of quality, social value and price.
- 2.4 Authorise 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).
- 3.2 A report on the changing demand and supply of school places was shared at the Overview and Scrutiny Committee for Learning, Culture and Physical Activity in September 2018. This report identified a need for additional places for pupils who have special educational needs or disabilities (SEND).
- 3.3 Calthorpe Academy has been identified by EdI as having the potential to create additional places for pupils who have SEND. The Local Authority owns a vacant nursery building adjacent to Calthorpe Academy which can be refurbished and adapted to suit SEND pupils. A lease will be put in place between Calthorpe Academy and the Council to enable the Academy to use this property to offer places to pupils. The contract for completion of the works will be between Calthorpe Academy and the contractor.
- 3.4 The Works comprise of fully stripping and fully modernising all internal walls, joinery, finishes and building services, external windows and roof coverings, external play surfaces and vehicle driveways. Refurbishment features include improved acoustic, robustness, safety and thermal performance of the building and externally enhanced perimeter fencing and access control to adequately secure the Academy. The completed design will provide 5 classrooms with in-built safely accessible storage, and off-classroom accessible WC areas and break-out Learning / calm rooms. The teaching areas are supported by a Food preparation/ learning room, a staff room and facilities, an office and 'air-lock' secure reception area.

- 3.5 The refurbishment of this building will assist the Local Authority by utilising an existing asset to ensure value for money as the option to create a new build would be more expensive.
- 3.6 The proposed works once complete will mean that additional pupils with SEND can be allocated a suitable school place in a safe teaching environment.
- 3.7 The works are proposed to commence in April 2020 with a completion in August 2020, subject to the current emergency situation involving Covid-19.

4 Options considered and Recommended Proposal

- 4.1 The option of doing nothing would mean the Local Authority fails to meet its statutory obligation to ensure that there are sufficient pupil places, promote diversity and increase parental choice through planning and securing additional provision.
- 4.2 The new build option was considered but was discounted on the basis that it would be more expensive to construct and not cost effective for the number of new places that would be created.
- 4.3 The recommended option is to refurbish the existing nursery building to provide a fit for purpose school capable of accommodating pupils with SEND.

5 Consultation

- 5.1 The Head Teacher and governors at Calthorpe Academy have been consulted and are fully supportive of the scheme. The local ward councillor for Balsall Heath West was consulted, but no response was received. The Regional Schools Commissioner has approved the request for a significant change to Calthorpe Academy by approving the use of a satellite site.

6 Risk Management

- 6.1 The Government have yet to make a decision on whether the construction industry will stop work due to Covid-19. The contractor has been asked to look at mitigation measures to limit the impact on the timeframe proposed for completion. Acceleration may be required which will take the form of weekend / evening working.
- 6.2 Weekly 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 Disruption risks to school operations are minimised as the current site is vacant. Ridge, the project managers appointed by Calthorpe, have many years' experience at delivering refurbishment projects to special schools of this nature and will manage and co-ordinate the works in consultation with the school.
- 6.4 A Ridge Health & Safety Consultant has also been appointed by the school to oversee all Construction (Design & Management) Regulations (CDM) duties including Principal Designer role and management of the design and overall project risk register.

- 6.5 Acivico will assess valuations on behalf of the Local Authority to reduce the risk of allowing a third-party organisation (the academy) to manage the development of a Local Authority owned building before a lease has been agreed, to ensure that funding is released retrospectively after works are completed.

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 to ensure that all pupils are provided with a safe and secure learning environment. The spending priorities proposed are in accordance with the Schools' Basic Need Programme 2019-20 approved by Cabinet on 26th March 2019, 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'.

7.2 Legal Implications

- 7.2.1 The recommendations in this report facilitates the discharge of functions contained within section 14 of the Education Act 1996 whereby the local authority has a duty to ensure that there are sufficient school places to provide all pupils the opportunity of appropriate education. The Council also has overall responsibility for capital strategy across the school estate, including in respect of academy schools.

7.3 Financial Implications

- 7.3.1 The capital cost of the proposed works at the former nursery unit at Belgravia Road will not exceed £916,930. This will be funded from the Special Provision Fund Allocation. The detailed breakdown of this cost is included in **Appendix A**.
- 7.3.2 Consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset will be the responsibility of the Academy and funded from the Academy's General Annual Grant (received by the Academy from the ESFA).

7.4 Procurement Implications (if required)

- 7.4.1 The procurement route for this project is via single stage open traditional tender aligned with Calthorpe School and EU Procurement Law. Contractors were invited to tender with a pre-qualification stage including but not limited to Financial, Insurance, and project & personnel experience related to the type of works. Ridge & Partners on behalf of Calthorpe Academy developed full detailed designs and specifications for the works and a pre-tender estimate to achieve best value for money based on current DfE education space guidelines and industry benchmark rates. Ridge & Partners will provide Project, Cost and Contract Management services and close project progress monitoring to ensure value for money is achieved throughout delivery.

- 7.4.2 Hardyman Group Ltd are recommended for appointment to take forward the contracted works, returning the most price competitive tender at £715,798.50 excluding VAT, and Ridge are satisfied from their assessment this adjusted fixed price is inclusive of all tender requirements.
- 7.4.3 As Ridge went through the process the design and associated costs have evolved as expected from the original bid price from a price of £715,798.50 to the final design costs of £886,224.
- 7.4.4 Although the value of this contract is below the Charter threshold for contracts for the execution of works, contractors will be asked if they wish to sign up voluntarily.

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 to proposed expansions by having a positive impact.

The Local Authority has considered whether a full equality impact assessment should be conducted in relation to the decision to authorise the full business case at **Appendix A** and decided that the recommendations in this report were considered unlikely to have an adverse impact on those with a protected characteristic and therefore the current equality impact assessment remains relevant.

8 Background Documents

- 8.1 Schools' Capital Programme - School Condition Allocation 2020-21+ Future Years Cabinet Report 21st April 2020

9 List of Appendices

- 9.1 Appendix A - Full Business Case