



**Executive
12 April 2010**

**Report from the Director of
Children and Families**

Wards Affected:
ALL

**Re-Development of SEN provision at the Hay Lane and
Grove Park School Sites**

Appendix 3 is not for publication

1.0 Summary

- 1.1 On 26 May 2009 the Executive authorised officers to proceed to the design phase to develop a scheme to rebuild Hay Lane and Grove Park Special Schools as one school and to re-provide the Borough's short break provision on the school site.
- 1.2 This report updates the Executive on the progress made in developing the rebuild scheme and the funding arrangements required to cover the costs. It seeks the necessary authorities to progress the scheme to completion.

2.0 Recommendations

The Executive is requested to:

In relation to Hay Lane and Grove Park School Buildings

- 2.1 Approve the rebuilding of the Hay Lane and Grove Park School buildings as one school incorporating the existing recently completed 16+ Centre on the basis of initial design work already carried out (see paragraphs 3.8 to 3.12 below). This will be subject to the agreement of the Schools Forum on the funding arrangements set out in the report.
- 2.2 Approve the provision of the necessary temporary accommodation during the construction period, within the resources identified and as described in paragraphs 3.13 to 3.15 below.

In relation to Short Break (Respite) Centre

- 2.3 Approve the relocation of the Short Break Centre (currently located at Crawford Avenue and Clement Close) to the site of the rebuilt Hay Lane School.
- 2.4 Declare the Crawford Avenue and Clement Close sites surplus to the requirements of the Council's Children & Families Services once the new building is complete which is estimated to be summer 2013.

In relation to the Resource Strategy:

- 2.5 Approve the resourcing strategy set out in the report. In particular the affordability of the capital funding costs of the scheme as set out in paragraph 8 below.
- 2.6 Submit to the Schools Forum for agreement the proposal that savings arising from the Dedicated Schools Budget be used to meet the annual costs of borrowing. (If agreement cannot be secured, a revised funding package will be developed for re-submission to the Executive Committee.)
- 2.7 Note the overall budget provision for the project at £29,395,000 as identified within paragraph 8 below.

In relation to Procurement: Construction Contract

- 2.8 Approve the pre - tender considerations and the criteria to be used to evaluate tenders as set out in table 4 of paragraph 4 of the report.
- 2.9 Give approval to officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in 2.8 above.

In relation to Supply of temporary classrooms

- 2.10 Approve the pre - tender considerations and the criteria to be used to evaluate tenders as set out in table 4 of paragraph 4 of the report.
- 2.11 Give approval to officers to invite tenders and evaluate them in accordance with the approved evaluation criteria referred to in 2.8 above.

In relation to Procurement: Consultants

Overall Project Manager

- 2.12 Agree the appointment of an Overall Project Manager (PM) through to post contract and pre-construction stage, without following the usual quotation requirements of the Council's Standing Orders, on the basis of the good operational and financial reasons set out in paragraph 5 and Appendix 3 (Not for Publication) of this report.

Lead Design and Design Team

- 2.13 Approve the appointment of Frankham and its design team as a replacement for their previous appointment to continue with the design development work to the end of the defects liability period for the works but with a break clause to allow for termination at the end of RIBA stage E, in line with paragraphs 3.8, 3.9 and 3.12 below.

3.0 Detail

Background

- 3.1 Hay Lane and Grove Park are two all age special schools located on adjacent sites off Stag Lane in Kingsbury. The schools cater for a wide range of special educational needs including profound and multiple learning difficulties, severe learning difficulties, autism with associated learning and behavioural difficulties and physical disabilities. The range and complexity of needs of children attending the two schools are increasing and there is an increasing overlap in the type of needs that the two schools serve.
- 3.2 Following the required statutory consultation process the Executive, at their meeting of 15th March 2010, agreed to proposals to bring the two, hitherto separate, schools together as one school with effect from 1st September 2010. Grove Park School will close with effect from 31 August 2010 and Hay Lane School contemporaneously expanded to 210 to take the current roll of both schools. Hay Lane will expand to take 235 pupils once the new build programme (for which approval to execute is being recommended in this report) is complete.
- 3.3 The increase in places from 210 to 235 is to meet the predicted increase in the number of children requiring this type of special educational provision over the medium term. Increasing capacity will lead to significant savings in out-Borough placement and transport budgets. These savings have been set against the financing cost of the scheme and described more fully in Appendix 2.
- 3.4 The existing school buildings are facing major suitability and condition problems. The educational environment the school buildings provide is becoming ever less suitable as the range and complexity of their children's needs increases. Given the current state of the buildings it is becoming increasingly difficult for the Council to meet its statutory obligations towards these children.
- 3.5 Access to the buildings is limited causing congestion in the school driveways and adjacent roads twice every school day as some 200 pupils are transported to and collected from the sites by a range of vehicles (ramp ambulances, mini buses, cars, taxis, etc.).

- 3.6 This report now addresses the accommodation issues arising from the March 2010 decision, the condition and suitability of the existing buildings as outlined above and the outcome of the feasibility and initial design work authorised by the Executive in May 2009.

School Organisation

- 3.7 The schools are now governed by a single governing body in a federation. This has promoted joint planning and joint working. Collaboration between the two schools is good. The governors have appointed one head teacher and are integrating the staff of the two schools so that there is a common ethos, objectives, standards, and ambition and all the talents of the staff are available to all the children. This is part of the changes aimed at driving up standards. The new building is planned on that basis. From September 2010 there will be a new governing body for the enlarged Hay Lane School.

The School Scheme Design, Construction and Appointment of Architects

- 3.8 Frankham (on the Council's Property Services Framework) won a mini competition to take the scheme through the design phase and provide allied technical services to design and build the new school buildings. Their submission along with those from two other companies, also from the Council's Property Service Framework, were evaluated on the basis of specialist knowledge, architectural imagination, strength of team across the full range of skills required, deliverability, ability to communicate with and relate to stakeholders and competitiveness of their fee proposal. (There were only three potentially suitable companies on the Council's Property Services Framework for this kind of work all of whom entered the competition). Frankham have so far been successful on various aspects of the design development and in particular communicating with users. They have secured high quality special educational needs expertise from educational consultants who have won the confidence of staff and facilitated the reorganisation of the schools. They have successfully engaged stakeholder and have handled discussions with other agencies in the best interests of the scheme. All those achievements have contributed to the development of a good scheme able to be implemented, resources allowing.
- 3.9 Although the RIBA feasibility Stage A/B Report has not yet been signed off and to enable this report to be prepared for Executive, it has been necessary to develop the scheme beyond this initial feasibility stage to identify the project risks and help the Council manage those risks. Much of this relates to the adjacent vacant Roberts Court land (see paragraphs 3.13 and 3.14 below), site access and options for the temporary location of children during the construction phase. The outcome has been to ensure as far as possible that a viable scheme with attendant decant options has been developed prior to seeking the authorities in this report. Relevant surveys and site investigations have been carried out and the results taken into account in the costings for the scheme. This report therefore (among other things) seeks Executive approval for Frankham to be appointed with an estimated total fee value of £2.36M for architectural services and up to a further £442,000 for other technical services

and surveys engaged by Frankham from sub-consultants as set out in Table 5 in paragraph 8. These figures are based on an estimate construction cost of £23.69M including the temporary accommodation. The appointment being made is for design and contract administration services through to the end of the defects liability period, but with a break clause at the end of stage E that will be used if design and build contractor does not take a novation of Frankham's contract at that point. At that point the Council will look to Frankham and the successful D& B contractor to provide Collateral Warranties to protect the Council in relation to design defects.

- 3.10 Frankham carried out a robust and thorough options appraisal during their feasibility study. This shows that a cost effective educationally innovative, transformational and inspirational scheme that meets current DCSF guidance on space, can be contained within the current site and taking account of financial constraints can be achieved. The scheme as currently conceived has been tested by the design champion, who is also on the CABE enablers' panel, and has also been influenced by discussions with officers in the Partnership for Schools (Pfs).
- 3.11 There are significant educational benefits associated with the scheme. Rebuilding the schools will provide additional classroom space and an educational environment better suited to the needs of students with multiple learning difficulties and disabilities. There will be much needed improvement to specialist facilities and outside areas. It will address the current inefficiencies in the use of space and greatly improve access arrangements. It will transform the educational opportunities available to some of the most vulnerable children and young people in Brent and drive up standards.
- 3.12 The scheme as now envisaged takes fully into account the outcomes of consultation with staff pupils, parents and other stakeholders. (See also paragraph 7 below). It is therefore recommended to proceed with the rebuilding of the current sets of school buildings as one school using Frankham's initial design and their further design development work up to RIBA stage E. Further design will then be undertaken by the successful D&B Contractor. Due to an oversight, the initial appointment of Frankham was not approved by the Executive, as is required by Contract Standing Orders for all appointments off Council frameworks that exceed £500,000. The mini-competition that led to this initial appointment was for all the design work through to the end of the defects liability period at the end of the construction. However because there was not full authority to proceed with the scheme from the Executive, a contract was awarded only up to the end of stage D i.e. partial acceptance of the mini-competition bid. This contract up to the end of stage D exceeds £500,000 in value although less than £500,000 has been paid to Frankham. It is now proposed to terminate the earlier appointment and award a replacement contract through to the end of the defects liability period. This contract needs to have a break clause at the end of RIBA stage E, because if the proposed design and build contractor does not take a novation of Frankham to continue to develop the design, then the Council will need to terminate Frankham's appointment.

Temporary Accommodation and Decant of Pupils

- 3.13 The report to the Executive on 26 May 2009 set out how the adjacent vacant parcel of land known as Roberts Court Land might be used to facilitate construction and reduce the number of children taken off site during the construction period. Provision was made in the decisions at that time to acquire the land for a temporary period for that purpose. (See also paragraph 3.19 below). Recent discussions with colleagues in NHS Brent have established that it is the Health Authority's intention in partnership with local GPs to develop the land for that purpose during the 2010/2011 financial year. Consequently this land is no longer available.
- 3.14 The consequences of not being able to use the Roberts Court Land together with the other constraints of the site now makes it necessary to rebuild in one phase rather than two. That requires both the existing Hay Lane and Grove Park buildings to be demolished at the start of the construction works. That in turn requires more temporary accommodation to be used during the construction period (roughly 2 years from April 2011) than hitherto expected. The 16 plus Centre with its specialist provisions will be kept in use. The higher cost of the greater quantity of temporary accommodation is offset by the shorter contract period and the absence of ground works to the Roberts Court land.
- 3.15 It is very unlikely that all the necessary temporary accommodation can be housed on the Hay Lane and Grove Park school sites during the construction period. Consequently officers approached the governors of Kingsbury High, the nearby foundation secondary school to host this decant. They have agreed to collaborate with the Council. Such collaboration is not only much appreciated and helpful in achieving this change, but is expected to yield long term educational benefits and collaborations for the schools to the benefit of all the pupils and staff involved. This may make a saving in the long term to the public purse as Kingsbury may need temporary accommodation whilst one of their blocks (Block C) is refurbished/replaced and longer term when they improve their premises more generally under wave 3 of BSF. Such a saving would accrue if Kingsbury were able to make use of at least some of the modular buildings used for the decant once Hay Lane has finished using them. At the time of drafting this report the details of this arrangement were still under discussion. The supply contract for the modular buildings will also need to be procured through an EU-compliant tender process.
- 3.16 Careful consideration has been given to using the Ark academy buildings temporarily instead of the temporary buildings whilst pupil numbers build at that school. That study shows the buildings to be unsuitable for this purpose for a number of reasons. In particular the only available general teaching spaces would be on the 2nd Floor accessible by single lift whilst the hygiene room would be on the ground floor. There would be insufficient disabled WCs for the likely number of students. The specialist rooms are located on the ground and first floor. Consequently there would be considerable vertical movement of children many of whom have mobility difficulties and or need supervision when moving

about the school. Also a number of specialist facilities would have to be provided such as soft play and sensory areas that are not part of the Academy. There are no laundry facilities for soiled clothes. Hall, sport, dining and staff facilities would be difficult to provide and the pick up and drop off arrangements would be particularly difficult due to the layout of parking and roadways. Given that this is an Academy making alterations to overcome these issues would be problematic. Therefore it is not recommended that the Council pursues this option with Ark Academy Governors.

Short Break Services

- 3.17 The scheme also allows for the Borough's short term break and respite services, currently provided from Clement Close and Crawford Avenue, to be relocated to the school site as a single high quality facility. This makes significant improvement to the quality of these services and produces a capital receipt of £410k and revenue savings on rent of at least £32,000/annum. With one set of new premises replacing two old buildings there are additional revenue savings on premises running costs and staffing. These savings have been set against the financing cost of the scheme.
- 3.18 The scheme for this service as now envisaged also takes fully into account the outcomes of consultation with staff and users of that facility. The Frankham scheme includes this facility being located at Hay Lane.

Land Issues & Town Planning Considerations

- 3.19 In May 2009 the Executive were asked and gave permission for the purchase of the adjacent vacant parcel of land known as Roberts Court. The parcel belongs to a housing association and is designated, via a S106 condition, for health services development. NHS Brent has not so far developed the site in partnership with local GPs. Officers have discussed the current position with NHS Brent colleagues who say they are expecting to develop the site in the near future. (See also paragraph 3.12)
- 3.20 Frankham was instructed accordingly and the school project takes that development into account. Frankham's scheme shows that an innovative building that meets relevant guidance can be achieved within the boundaries of the existing school sites. Once the site is redeveloped emergency vehicular access to the 16+ block will be secure from within the school site. Officers have therefore concluded that it is not necessary to acquire the Roberts Court land as previously envisaged.
- 3.21 The project will seek to maximise the benefit of these adjacent developments to both the school and NHS Brent. Officers are confident that the emergency vehicular access for the recently constructed 16+ Centre via Harrod Court can be secured for as long as is necessary.
- 3.22 The scheme as currently envisaged has been discussed in outline with planning and highways officers. No major issues were identified. Helpful advice was given which is informing the development of the scheme through stages C & D (see also paragraph 7.4 below)

Outline timetable

- 3.23 A detailed programme of work has been developed. The key milestones from the programme are detailed in the tables below:

3.24 Pre-Construction Programme of Work for the Temporary Accommodation.

Table 1

Milestone	Date
Approval of Scheme By Executive	April 2010
Approval of use of Dedicated Schools Grant by Schools Forum	April 2010
Expression of Interest and OJEU Published	May 2010
Contractors to respond to expression of interest (37 days)	July 2010
Analyse returns and of expression of interest	July 2010
Recommendations made to the client	July 2010
Preparation and issue of Tender Documents	August 2010
Tender Return & Analysis	September 2010
Tender recommendations to the client	October 2010
Executive Approval Received	November 2010
Alcatel Standstill (10 days)	November 2010
Award contract to provide the Temporary Accommodation	December 2010

3.25 Pre-Construction Timetable for a single stage Design & Build single phase contract to rebuild the two schools.

Table 2

Milestone	Date
Approval of Scheme By Executive	April 2010
Approval of use of Dedicated Schools Grant by Schools Forum	April 2010
Expression of Interest and OJEU Published	July 2010
Contractors to respond to expression of interest (37 days)	August 2010

Milestone	Date
Analyse returns and of expression of interest	September 2010
Recommendations to the Client	October 2010
Prepare and issued Tender Documents	Late October 2010
Tender returns and analysis	Christmas 2010
Tender recommendations to the Client	January 2011
Executive Approval Received	February 2011
Alcatel Standstill (10 working days)	March 2011
Award Design and Build contract to rebuild the two schools as one	March 2011

3.26 Construction Phase Programme

Table 3

Milestone	Date
Construction starts temporary accommodation	January 2011
Temporary Accommodation ready	March 2011
Construction main project starts	April 2011
Occupation	Spring 2013

4.0 Procurement of Contractors

- 4.1 It is recommended that Brent does not restrict itself to contractors with pure SEN school design experience because this would risk few responses. It is suggested that we should seek responses from companies with experience in school design and working in an environment for persons with multiple learning difficulties, in either education or healthcare.
- 4.2 Prior to making the recommendations below the following procurement routes were explored for the main scheme: Traditional Procurement, Design & Build - single and two stage, Partnering, Management Contracting, and Construction Management. Each was scored against agreed criteria. The outcome of this scoring matrix identified that Single Stage Design & Build was most suited to meeting the needs of the project. The report on this procurement process is included in the list of background papers

- 4.3 Batching the scheme with the Crest Academies has also been considered. The discussion concluded that on balance the specialist nature of the project and absence of a link, geographical or otherwise, to those schemes within the locality, would make it difficult to obtain or demonstrate that best value has been achieved.
- 4.4 With the above in mind the detail of the procurement processes for both the works contract and the supply of temporary accommodation are set out in the table below.

Table 4

(a) Shows the works contract

(b) Shows the supply of temporary accommodation project

Ref.	Requirement	Response
(i)	The nature of the contract	<p>a) A single stage design and build (works) contract for the construction of new buildings for Hay Lane and Grove Park Schools using a 2005 JCT design and build form of contract including the 2007 amendments.</p> <p>b) A traditional supply contract for the temporary accommodation from a selected supplier</p>
(ii)	The estimated value of Contract.	<p>a) £21m (from line 10 of table 5) This is subject to certain assumptions that are laid out in the Elemental Cost Plan as submitted to the Authority by its technical advisers</p> <p>b) £2.9m for Temporary Accommodation (from line 13 of table 5)</p>
(iii)	The contract term.	<p>a) Commencement date of the main scheme: Construction Starts: April 2011 Contract Term: approx 2 years.</p> <p>b) Commencement date of temporary accommodation: Construction Starts: December 2010 including mobilisation period Contract Term: approx 4 months.</p>
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	<p>(a) and (b) are both required to be tendered in accordance with the Public Contract Regulations 2006 (the Classic Directive). Formal tendering using the Restrictive Procedure (two-stage) as set out in the Regulations will be adopted.</p> <p>Additionally in order to encourage local providers, this contract will be advertised on the Councils website.</p> <p>Neither contract is appropriate for an e-auction</p>
(v)	The procurement timetable.	<p>The indicative procurement timetable is set out below:-</p> <p>(a) Main Contract:</p> <ul style="list-style-type: none"> • See table 2 paragraph 3.25 above

		<p>(b) Temporary Accommodation.</p> <ul style="list-style-type: none"> • See Table 1 paragraph 3.24 above <p>Timetables remain indicative and are subject to individual planning approvals for the main scheme and temporary accommodation.</p>																		
(vi)	The evaluation criteria and process.	<p>(a) & (b) shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre-qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise for both the main rebuild contract and for the temporary accommodation. Thereafter once candidates have been selected for tender, full documentation will be sent and thereafter the panel will evaluate the tenders against the following criteria:</p> <table border="0"> <thead> <tr> <th>Category</th> <th>Weighting</th> </tr> </thead> <tbody> <tr> <td colspan="2">Design and Build Works Contract</td> </tr> <tr> <td>Design quality & its contribution to raising standards of achievement</td> <td>40%</td> </tr> <tr> <td>Works & Handover (method statement, programme, manuals, health and safety, stakeholder engagement, programme completion, user training)</td> <td>20%</td> </tr> <tr> <td>Price</td> <td>40%</td> </tr> <tr> <td colspan="2">Temporary Accommodation</td> </tr> <tr> <td>Design quality & its contribution to raising standards of achievement</td> <td>35%</td> </tr> <tr> <td>Works & Handover (method statement, health and safety, stakeholder engagement, programme completion)</td> <td>15%</td> </tr> <tr> <td>Price</td> <td>50%</td> </tr> </tbody> </table>	Category	Weighting	Design and Build Works Contract		Design quality & its contribution to raising standards of achievement	40%	Works & Handover (method statement, programme, manuals, health and safety, stakeholder engagement, programme completion, user training)	20%	Price	40%	Temporary Accommodation		Design quality & its contribution to raising standards of achievement	35%	Works & Handover (method statement, health and safety, stakeholder engagement, programme completion)	15%	Price	50%
Category	Weighting																			
Design and Build Works Contract																				
Design quality & its contribution to raising standards of achievement	40%																			
Works & Handover (method statement, programme, manuals, health and safety, stakeholder engagement, programme completion, user training)	20%																			
Price	40%																			
Temporary Accommodation																				
Design quality & its contribution to raising standards of achievement	35%																			
Works & Handover (method statement, health and safety, stakeholder engagement, programme completion)	15%																			
Price	50%																			
(vii)	Any business risks associated with entering the contract.	The business risks associated with this project are set out in paragraph 9. This reflects the top risks from the client's point of view. The other most significant risks developed by the Authority and its technical advisors as part of the Feasibility Study are set out in Appendix 4																		
(viii)	The Council's Best Value duties.	The tendering and award of the contract based on the criteria set out above will enable the Council to meet its Best Value objectives. Further information on the Council's Best Value is set out in the Council's Contract Procurement and Management Guidelines available on the Council's website.																		
(ix)	Any staffing implications, including TUPE	There are no staffing implications arising from the construction contract. There are staffing implications in merging the two schools but that decision is not part of this																		

	and pensions.	consideration and are matters for the school governors. There are no TUPE implications.
(x)	The relevant financial, legal and other considerations.	See paragraphs 8 & 10 respectively. No decision has yet been taken about whether to require the design and build contractor to take a novation of the Council's designer Frankham, or whether to give the contractor the option of having Frankham novated to it. However in order to allow for flexibility, it is proposed that the new contract awarded to Frankham will have a break clause at the end of stage E which will be when the design and build contractor is appointed. At that point the Council will probably need to appoint an ongoing technical adviser to scrutinise the design work of the contractor.

5.0 Appointment of Consultants: Overall Project Manager

- 5.1 The Council currently has in place an Overall Project Manager who was first involved in this project in May 2008. He was engaged through to completion with an expected commitment of, on average, 5 days per month until September 2012. That arrangement has been reviewed in the context of the Council's review of property services. Consultation has taken place with the current Overall Project Manager. It is now proposed to terminate that appointment and appoint the current Overall Project Manager for the duration of the development phase of the project up to post-contract stage i.e. for a further 3 years. It is envisaged that his knowledge and expertise will remain available to the Council and its delivery team, for the construction phase, at which point appropriate arrangements will be put in place and reported in advance to Executive as appropriate. He has developed substantial knowledge and background around the project, has established effective relationships with various Council Departments, partner agencies including central government departments and will therefore be able to give continuity to the remainder of this project seamlessly and without the need to revisit ground already covered. In addition, the (per diem) fee level negotiated with the proposed project manager is below the daily average rate for this type of work. It is estimated that the total annual cost will not exceed £46,800 and with an estimated total contract value of approximately £150k. The detail is set out in Appendix 3 Not for Publication.
- 5.2 In the event that the LA seeks to invite competitive bids, it is likely that delays will be introduced into the timeline and the currently negotiated fee rates (deemed to be favourable to the Council) from the proposed project manager will no longer apply. In the unlikely event that someone else is able to submit a lower fee rate and are able to show the credentials comparable to the current project manager now being proposed for appointment for the duration of this project, it is likely that they will still need time to gather sufficient knowledge about this scheme and establish communication links for the better performance of the project.

5.3 There are therefore good financial, operational and efficiency grounds for appointing the project manager currently managing the feasibility and development phase of this project for its duration in line with Appendix 3 (Not for Publication).

6.0 Feasibility Study: Support for the New Build

6.1 Much of the background for the case to rebuild the current pair of schools on their existing site was set out in the report to Executive on 26 May 2009. Some of the key points are summarised in paragraphs 3.4, 3.5 and 3.11.

6.2 A feasibility study was carried out. The key conclusions of that study are:

6.2.1 The size of the proposed schools can be accommodated on the existing site without the Robert's Court Land whilst meeting relevant design guidance from the DCSF and elsewhere;

6.2.2 An effective solution to the design brief, which is innovative and likely to drive up standards, can be achieved

6.2.3 The project will require temporary accommodation to be provided for about three quarters of the pupils. It is likely that the much of this will be on the Kingsbury High site during the construction phase

6.2.4 The procurement of the new school will deliver best value for money and comply with relevant national and EU regulations and requirements.

7.0 Consultation

7.1 Stakeholder engagement is a key driver in developing a high quality educational environment as well as a resource for other people and local schools.

7.2 There has been extensive consultation with staff and other stakeholders in developing the project. In particular in September Anne Hayward Associates, engaged for this purpose by Frankham spent 3 days in the schools consulting with staff, parents and pupils and carried out a parallel consultation with staff at the short break centres. This resulted in a major report (included in the list of background papers) and DVD recordings of the pupil voice at the school and in the youth parliament.

7.3 That major consultation has been followed up as the scheme has been developed with monthly design meetings between the architect and school and short break centre staff to establish the schedule of accommodation and relationships among the spaces. That process is ongoing. Anne Hayward Associates conducted a second round of consultation on 1 March 2010 and follow-up sessions on specific topics are planned. EC Harris, engaged by Frankham to provide project management and other services is in the process of developing a programme and methodology for engaging stakeholders and is

in contact with the Council's communications team on how best to communicate with the wider community.

- 7.4 A Corporate Board including officers from Children and Families, the project manager, and officers from planning, finance and corporate property has been meeting roughly monthly throughout the development of this scheme. In addition Frankham's planning consultant and other relevant technical staff have met with planning and highways officers to discuss both the main scheme and the sighting of the temporary accommodation. No major issues were identified. Further meetings are planned. (See also paragraph 3.22 above)

8.0 Financial Implications

Financial Appraisal

- 8.1 Following the decision by Executive in May 2009, a financial package has been compiled with the objective of enabling the scheme to proceed to post tender and pre-contract stages subject to agreement by the Schools Forum for use of the Dedicated Schools Grant and subsequently the tender returns.

Affordability

- 8.2 The current projected costs for the scheme are laid out in Table 5 below. This makes comparison to the costs originally reported to the Executive in May 2009 in order that members can assess the progress made to date in addressing the affordability issues. In total cost savings of £2.782m have been achieved over the previous forecast. Lines 8 & 18 demonstrate that an appropriate provision for unknowns (contingencies) has been included.

Table 5 – Scheme Cost

		May 2009 report to Exec £(000)	Current project £(000)
	Description	£(000)	£(000)
1	New build including demolition	28,677	12,946
2	Refurbishment allowance		165
3	Hydrotherapy/warm Pool		439
4	Short Break centre		1,442
5	Externals		1,746
6	Services		150
7	Preliminaries/profit		2,412
8	Contingencies		2,449
9	Contract deflation factor		-702
10	Sub Total for Main Contract	28.677	21,047
11	Fees	Included above	2,357
13	Temporary accommodation	2,000	2,879
13	Surveys and investigations		442
14	FFE		80
15	Catering		75
16	Loose F&E including fees		1,075

17	ICT		409
18	Client contingency/ other fees		1,031
19	Acquisition of Roberts Court	1,500	0
20	Total Scheme Cost	32,177	29,395

8.3 The currently forecast funding resources for the scheme are laid out in Table 6 below, identifying a net capital requirement for the scheme of £19,739k. This table also provides Members with details of the forecasts submitted to the May 2009 meeting for purposes of comparison.

Table 6 – Available Funding

	Scheme	May 2009 report to Exec £(000)	Current project £(000)
	Available funding		
1	Targeted Capital Fund (TCF)	8,000	8,000
2	Devolved Capital	286	286
3	Maintenance Capital	500	500
4	Aiming High Grant	460	460
5	Clement Close	410	410
6	Release of Roberts Court or equivalent	1,561	0
7	Total Capital available (sum 5 to 10)	11,217	9,656
8	Total Scheme Cost (Table 5, line 20)	32,177	29,395
	Net Capital Required (line 8 minus 7)	20,960	19,739

8.4 Members should note that there is a risk that the DCSF may not agree to the use of the Aiming High Grant (£460k, at line 4 of the table above) to pay contractor fees in 2010/11. The Grant conditions require the grant to be spent by March 2011 and a physical asset should be in place by that time. Officers in Children & Families are pursuing this matter with DCSF. If DCSF agreement is not secured an amended proposal to meet this element of the funding package will have to be developed before the scheme can continue. Any additional revenue costs arising will fall upon the Dedicated Schools Budget and be subject to the agreement of the Schools Forum.

8.5 The funding gap of £19,739k, as detailed above, will be addressed through the provision of additional unsupported borrowing. It is proposed that the debt costs associated with this unsupported borrowing will be met from savings in both the General Fund and Dedicated Schools Budget revenue provisions. Table 7 below summarises the capital financing costs arising and the forecast savings that will fund these costs on the basis that borrowing will be repaid over a 60 year period. The result of this forecast is a surplus of savings of £3,724k over the period and the Table also provides the Net Present Value of this surplus of £35k in order that Members consideration can take into account the time value of money over the 60 year period, using the Treasury's recommended rate of discount of 3.5%.

Table 7 – Financing of Capital Borrowing Costs

Description	£'000
Total Debt Charges Arising	67,085
<u>General Fund Savings Arising:</u>	
Crawford Avenue Rent	(1,824)
Crawford Avenue/Clements Close Managers Post	(2,850)
Transport	(25,850)
<u>Dedicated Schools Budget Savings:</u>	
Day Placements	(13,750)
Residential Placements	(12,375)
Reduction of School Lump Sum	(9,735)
Maintenance	(4,425)
Total Savings	(70,809)
Surplus on Savings over 60 year period	(3,724)
Net Present Value of Surplus on Savings	(35)

Appendix 1 to the report sets out a detailed cash flow analysis for the financing of the borrowing costs summarised in Table 7.

- 8.6 Members should note that the use of savings to fund the costs of unsupported borrowing will have to be agreed by the Schools Forum subsequent to the Executive approving this proposal. If Schools Forum agreement is not secured this route of funding will not be available to the scheme and an amended proposal will have to be developed before the scheme can continue.
- 8.7 Appendix 2 to the report provides detail to the forecast savings outlined in Table 7 that will be accruing with regard to Outborough Placements.
- 8.8 The remaining revenue savings attributed to the Dedicated Schools Budget in Table 7 above are generated from the rebuild scheme resulting from reduced revenue costs such as staffing and building costs from establishing a single school rather than currently having two separate schools.
- 8.9 The detailed cash flow analysis of financing borrowing costs at Appendix 1 to the report demonstrates that in the early years of the debt repayment model there is a deficit of savings available to meet costs. Table 8 below summarises this position to the point of break even.

Year	Financing Costs	General Fund Savings	Dedicated Schools Budget Savings	Net Costs/Savings
-------------	------------------------	-----------------------------	---	--------------------------

	£'000	£'000	£'000	£'000
2010/11	99	0	0	99
2011/12	592	0	(240)	352
2012/13	987	0	(240)	747
2013/14	987	(176)	(335)	476
2014/15	1,150	(270)	(430)	450
2015/16	1,150	(364)	(525)	261
2016/17	1,150	(458)	(620)	72
2017/18	1,150	(552)	(715)	(117)

- 8.10 In order for the scheme to progress this cashflow issue will have to be resolved. It is currently proposed that this matter will be discussed with the Schools Forum in order to ascertain whether the gap in early years could be supported by the Dedicated Schools Budget with repayment in the latter years when the model moves into surplus. If Schools Forum agreement is not secured an amended proposal will have to be developed before the scheme can continue.
- 8.11 The current school capital programme in future years is fully allocated to other primary and secondary projects and consequently is not available as an alternative source of financing for this project. There will not be any additional allocations made from the Council's Capital Programme and any gaps arising in the funding package will have to be addressed from existing Children and Families budgets or via the Dedicated Schools Budget subject to agreement of the Schools Forum.

9.0 Risk and Risk Management

- 9.1 The Executive will note that the programme is tight and the risk of slippage against timelines is high with attendant additional site costs; the risks will be monitored closely so that they are effectively managed and key decisions made on time. The project management structure and reporting and monitoring mechanisms put in place for the Ark Academy and Crest Academies were successful to date and it is proposed to put in place a similar arrangement for this project. The Council will set up a cross departmental Project Board which will receive regular reports from the Overall Project Manager.
- 9.2 The architects and QS have assessed risks associated with the project and provided appropriate contingencies within the capital provision. At this stage of the project those sums are likely to be needed.
- 9.3 The top 10 risks from the design and supply point of view are set out in Appendix 4 and will be kept under review
- 9.4 From the client's point of view the main risks and the strategy for their management are summarised below: They too will be kept under review

9.5 **Risk 1:** To be able to deliver this project in the timescale provided in tables 1, 2 & 3 of paragraphs 3.23 to 3.25 above, it is important for key decision makers to make decisions on time.

9.5.1 Strategy: Robust project documentation will be provided in time for key decisions to relevant stakeholders.

9.6 **Risk 2:** Potential delays in procurement.

9.6.1 Strategy: Project board to include legal and procurement officers will review key documentation; established procedures and guidance will be followed.

9.7 **Risk 3:** Complexities with the town planning process could slow down this project and/or affect its delivery.

9.7.1 Strategy: Planning conditions will be identified as early as possible in the project; the local authority will liaise closely with the Planning Authority prior to the submission of the planning application. (Meeting held 8 March).

9.8 **Risk 4:** Access to, location and the quantity of temporary accommodation on the Kingsbury School site. There is ongoing discussion with colleagues in Parks, Transport and Planning about the access route to the site that will cause least disruption to neighbours, Kingsbury High and its pupils, and yet enable the vehicles to stand off the highway during pick up and set down of pupils. As the temporary accommodation is proposed to be located on part of Kingsbury High's playing field, albeit an unused part, plans must be submitted to Sport England and the Mayor's office, either or both of which could cause delay and possibly place restrictions on what can be located on this site.

9.8.1 Strategy: Consequently alternative locations for at least some of the temporary accommodation are being considered.

10.0 Legal implications

10.1 The Executive is being asked to approve the rebuilding of the two sets of buildings at Grove Park and Hay Lane schools, as well as the funding and procurement issues.

10.2 Because Kingsbury High is a foundation school there will need to be a legal agreement between the Council and the Governors of Kingsbury High School covering the Council's access to and use of the temporary accommodation erected on their site for the purpose of decanting the Hay Lane/Grove Park school for the duration of the construction phase.

10.3 Both the works contract and the supply contract are covered by the European public procurement rules and will need to be tendered in accordance with those

rules. Both contracts are also High Value contracts under the Council's Standing Orders and will need to be awarded by the Executive.

- 10.4 In relation to the recommendation at paragraph 2.12, Standing Order 84 allows the Executive to grant an exemption from a requirement of Standing Orders where there are good operational and / or financial reasons for doing so. The Executive needs to be satisfied that the reasons set out in section 5 are sufficient to justify a departure from the usual requirements to obtain three quotations before appointing a project manager.
- 10.5 In relation to the recommendation at paragraph 2.13, the proposal is to terminate the existing contract awarded to Frankham and replace it with a larger one that covers the design work until the end of the defects liability period. It is understood that Frankham's bid in last year's mini-competition process for the full scope of design work still remains open for acceptance.

11.0 Diversity Implications

- 11.1 An equality impact assessment has been completed. The scheme will further improve the educational and teaching facilities for children with special needs, their families and carers.

12.0 Staffing Issues

- 12.1 The Council has made clear that given that the number of pupils is likely to rise, the merger of the two schools is expected to have a similar number of posts as in the existing two schools. However it is likely that a number of people's jobs will change and a fair selection processes will need to be adopted to give effect to such changes where necessary.
- 12.2 Staffing matters in schools are the responsibility of the governors. Staff are represented on the federated governing body and will be represented on the new governing body once the schools formally merge on 1 September 2010. The Advisory Consultative Group has been set up with trade union representatives as required by Brent's agreement with school staff when organisational change is planned. Following consultation with that group it has been possible to recommend policy documents to the governors for them to adopt for teachers and support staff to manage this change. The Governors have adopted the policies as recommended. Support staff in schools are covered by the corporate agreement of January 2008, and that is the policy document recommended and adoption. The agreements between the teaching staff trade unions and the Council are some 10 years old. Officers and the trade union representatives have worked collaboratively on these documents and agreed the necessary minor changes appropriate for this particular reorganisation without prejudice to its wider application among all schools.
- 12.3 The head teacher of the expanded Hay Lane School and governors are in the process of consulting with staff about appropriate staffing structures to meet the school's needs during the following three periods:

- 12.3.1 From September 2010 until the pupils move into their temporary accommodation for the construction period;
- 12.3.2 For the duration of the construction period whilst the school operates on two sites; and
- 12.3.3 From about September 2013 when the school will move into its new buildings.
- 12.4 The governors have appointed one of the two existing head teachers to lead the reorganised school. There will be one less head teacher post in the new staffing complement compared with the existing. A small number of other posts some among the leadership team may also be at risk. Discussions between the school management and trade unions over the shadow structure are ongoing.
- 12.5 A similar situation applies to the short break service. Here the Integrated Services Manager is in discussions with her staff on the possible arrangements with one set of premises rather than the current two. In this case however the current centres will continue to operate until 2013.
- 12.6 Discussions are also being held with colleagues in NHS Brent as some of their employees work at the schools and they will need to be satisfied that their staff will be able to continue to deliver the appropriate levels of service both during the period of construction and in the new buildings.

Background Papers (essential)

- Business Case Summary dated 9.4.09
- Asset Management Information.
- Feasibility Study by Hunters - Dec 2008 (Final version).
- Stage A/B feasibility report from Frankham together with financial analysis
- File notes of Corporate Officers' Working Group
- Background & Assumptions – Project files, TCF Project Steering Group Notes.
- File notes of discussions with Hay Lane & Grove Park special schools.
- Minutes of the federated governing body and of its Change Committee
- Report to Executive Committee of 15 March on resolution of school merger
- Equalities Impact Assessment December 2009
- Hay lane/Grove Park Consultation Report June-September 2009 Anne Hayward Associates
- EC Harris Procurement Strategy Report March 2010

Contact Officers

Nitin Parshotam, Head of Asset Management Service (Children and Families),
Chesterfield House, 9 Park Lane, Wembley Middlesex HA9 7RW
Tel: 020 8 937 3080. Fax: 020 8 937 3023. E-mail: nitin.parshotam@brent.gov.uk

John Christie
Director of Children and Families

Appendix 1

HAY LANE & GROVE PARK SCHOOLS: CASH FLOW

This appendix is in the form of a spreadsheet and is attached

HAY LANE & GROVE PARK SCHOOLS: SAVINGS ON OUTBOROUGH PLACEMENTS

Grove Park/Hay Lane – savings on out-Borough placements

The capacity of the 2 schools is currently 210 students. After re-build, there will be capacity for 235 students; 185 in the main school and 50 in the post 16 block. There will therefore be 25 additional places.

In addition, new mainstream provision will be established from 2013 for students with complex physical/medical needs who do not have severe or profound learning difficulties. This will be a 10 place additionally resourced provision at Queens Park Community School funded through the Building Schools for the Future Programme. The needs of pupils with severe physical and or medical difficulties are currently often met at Grove Park School but this will not be the case in the future. In effect, the capacity of the expanded Hay Lane School to take students with ASD and severe profound learning difficulties (who would otherwise be placed out of the Borough) will increase. A modest assumption is that the development of the mainstream physical/medical needs provision will increase place availability of Hay Lane by a further 5 places, so in total 30 additional places will be available.

There will be improved facilities, a short break centre on site supported by health provision. This will increase the attractiveness of Hay Lane to parents. The school will also be better placed to meet the needs of students with specialist and complex needs (including ASD/Challenging behaviour and multi sensory impairment) as a result of improved facilities.

Currently, both schools are virtually full to capacity and Brent has to place some children out-Borough because local provision is full. It is projected that demand for places will continue to grow, particularly for students with severe learning difficulties and or autism and profound and multiple learning difficulties.

Once the additional places are available, there will be savings on placement costs (within the Dedicated Schools Budget) and transport costs (within the local authority budget). Initial investment is required in order for savings to be generated from 2013/14 onwards.

For every out-Borough day placement avoided, the projected savings are as follows,

Savings to placement budget = £10k/year.

Savings to transport budget = £18.4k/year (20% NKA savings applied to £23k per pupil)

For every residential placement avoided, the projected savings are as follows,

Savings to placement budget = £45k/year.

Savings to transport budget = £2k/year.

Table 8 and 9 are based on the following assumption

1. The average length of an out-Borough placement is 5 years (this is a modest assumption as most students placed out-Borough do not return to the Borough).
2. Each year after rebuild, 5 out-Borough day placements and 2 residential placements will be avoided.

Projected savings on day placements					
Table 8	Year 1	Year 2	Year 3	Year 4	Year 5 and continuing
Number of students attending HL/GP who would otherwise be placed in day out-Borough schools.	5	10	15	20	25
Savings on transport budget £k	92	184	276	368	460
Savings of placement budget £k	50	100	150	200	250

Projected savings on residential placement.					
Table 9	Year 1	Year 2	Year 3	Year 4	Year 5 and continuing
Number of students attending HL/GP who would otherwise be placed in residential out-Borough schools.	1	2	3	4	5
Savings on transport budget £k	2	4	6	8	10
Savings of placement budget £k	45	90	135	180	225

Total projected savings from Year 5 onwards.

Transport = £470,000

Placements = £475,000

Total = £945,000

Appendix 4

HAY LANE GROVE PARK – EXTRACT FROM RISK REGISTER (Top 10)

No.	Raised By	Category	Risk Description (Cause & Effect)	Mitigation Action	Owner
19	Structural	Statutory	Use of existing site entrance is not approved by the highways agency. Possible highways works necessary if using alternative access and egress will have a cost attached.	Early consultation with highways agency to mitigate any additional works, or programme implications associated with them, is essential	FRANKHAM Environmental Consultant
22	CDM-C	Construction	Construction site causes unnecessary risk to the live school site. Sloping level of the site may make the site impractical or unusable for use as an SEN school. Costly levelling works would have to be undertaken in order to make the site suitable.	Segregation of entrance and exit of construction site and school. School to be orientated so that the access and egress routes are over the minimum gradient. Platform lifts to be avoided as they are slow and may cause fire escape obstructions.	Contractor
23	Architectural	Design	Timescales are insufficient for an effective decant	Robust programme to be worked up in conjunction with the temporary accommodation contractor.	FRANKHAM Architect
34	PM	Decant	Uncertainty in the market re tender costs and inflation as a result of the 2012 Olympics and 'credit-crunch' making it difficult to assess tender costs.	Cost plan to take into account predicted inflation as accurately as possible and provide range of possible inflation	ECH PM
37	QS	Procurement	Planning Process is drawn out by statutory consultees.	Engage with planning consultant and local authority. Frankham to appoint planning consultant ASAP.	ECH QS Planning Consultant
39	PM	Statutory	The Planning application requires complex submission which impacts on programme	Early consultations with the planners will identify the extent of the deliverables required in the application and therefore the risks involved	Planning Consultant
40	PM	Statutory	Funding Availability.	BRENT to confirm funding is in place. QS to actively manage cost and regularly report as design develops.	ECH QS
44	PM	Client	Phasing issues lead to excessive additional temporary works in terms of segregation of services and temporary accommodation	Survey and development of design to minimise Approval required from Brent and the key stakeholders on the preferred route for the temporary accommodation and decant.	FRANKHAM
46	PM	Decant	Design programme outlined for the temporary accommodation is not achieved.		BRENT