



Cabinet
26 August 2014

**Report from the Strategic Director of
Regeneration & Growth**

For Action

Wards affected:
ALL

**Proposed Expansion of Manor School, Chamberlayne
Road, Kensal Green**

1.0 Summary

- 1.1 Brent Council has a statutory duty to ensure sufficient school places are provided. There is a shortfall of SEN school places to meet current and projected demand. The Council has been awarded Targeted Basic Need (TBN) grant funding of £1.541m by the Education Funding Agency (EFA) in order to provide an additional 44 places at Manor School. In order to comply with the conditions of that grant funding and therefore retain it, all 44 additional places must be available and all of the TBN funding allocated to the project must be fully spent by 31 August 2015.
- 1.2 The total estimated cost of works required to provide these places (£2.182m) exceeds the TBN funding available. Cabinet is therefore requested to approve in principle the additional sums required to deliver the proposed scheme from the Council's Basic Need Capital grant funding allocation subject to Cabinet approval in December 2014 to permanently expand the school following statutory consultation.
- 1.3 In order to achieve the required timescales, this report also sets out pre-tender considerations for the works contract and seeks approval to commence the procurement process on that basis in order to ensure that a works contract could be awarded in December 2014 subject to Cabinet approval to permanently expand the school.

2.0 Recommendations

- 2.1 Note that the consultation on the statutory expansion of pupil numbers will commence in September 2014, with a report on the outcome of the consultation to be submitted to the Cabinet in December 2014.

- 2.2 Approve in principle the allocation of additional funds (£641k) from the Council's Basic Needs Capital grant allocation required to deliver the provision of 44 additional pupils at Manor School, pending consideration of the outcome of the consultation on the statutory expansion of pupil numbers in December 2014.
- 2.3 Approve the invitation of tenders for the proposed building works to support the expansion of Manor School on the basis of the pre-tender considerations set out in paragraph 3.11 of the report and via the London e-Tender Portal.
- 2.4 Approve the evaluation of the tenders referred to in 2.2 above by officers on the basis of the evaluation criteria set out in paragraph 3.11 of the report.

3.0 Detail

- 3.1 The Council's Special Educational Needs and Disability (SEND) services have been facing pressures arising from increased demand for specialist education placements for a number of years. This increase in demand is in line with a national trend due to advances in medical technology and higher survival rates of children with complex needs and increases in medical diagnoses for conditions such as autism. Inward migration has added to the increase in demand. The council has a statutory duty to provide sufficient school places for children within its area. Current data suggests that the demand for school places will continue to grow until at least 2020. In recent years, to alleviate the situation, the Council has had to place pupils in more costly out borough independent provision, as special schools within Brent are full.
- 3.2 Manor School is a special school catering for children aged between 4 and 11 years with a wide and varying range of learning difficulties. It is school with a 'Good' Ofsted rating and has a current capacity of 132 school places. Following consideration of options to meet the needs of specialist education placement provision, it is considered that the expansion of Manor School offers an opportunity to expand the required type of SEN places in a Good school. The proposed building works scheme at Manor School will bring the capacity to 176 pupil numbers.
- 3.3 The proposed scheme, which involves part new-build and part alterations and re-modelling works, is able to deliver 44 additional SEN pupils at Manor School by the end of August 2015. This proposal will help meet increasing demand for special school places as well as achieve considerable educational and financial benefits. In essence, the proposed scheme will enable 44 SEN children to access a local special school, whose only alternative would be to travel to independent special schools at some distance from their home addresses, which in itself comes at a cost to the Council, as independent schools are more expensive than community schools; in addition transport costs have to be factored in. Further details are provided in the Financial Implications section of this report. There are also significant social and environmental benefits of local schooling. Further, Manor School is popular with parents and its expansion would help meet parental preference.

- 3.4 Early informal consultation with the school and its Governing Body indicates that it is supportive of the expansion in pupil numbers and of the build proposals, which includes additional classrooms, offices and external all weather play areas. Informal school expansion consultation concluded on 25 July 2014. Results are currently being collated.
- 3.5 The proposed scheme, accommodating an increased number of pupils, will provide 44 of the additional primary special school places needed by 2020. The estimated cost of works to create the additional classrooms, increased dining areas, offices and external play areas is £1.6m. The Council's Contract Standing Orders No.88 state that works contracts exceeding £500,000 (High Value Contracts) shall be referred to the Cabinet for approval to commence the procurement process.
- 3.6 This proposed scheme can only be delivered with additional funding of £641k in addition to the TBN fund of £1.541m. These additional funds would need to be sourced from alternative Brent capital resources and it is recommended that this provision is made from the Basic Need Capital grant allocation. In effect 44 pupil places could be provided at a cost to the Council of £641k. Costs which the council may incur if the scheme does not proceed are detailed in the Financial Implications section of this report.
- 3.7 There is a four stage statutory process for the school expansion. It is considered an appropriate risk to seek approval to commence the procurement process now – some 4 months prior to the Cabinet's decision regarding the statutory process on the expansion of pupil numbers in December 2014. The majority TBN funding (£1,541,215) allocated by the Education Funding Agency (EFA) states that the total TBN fund must be spent (not merely committed) by end of August 2015, by which date the additional places must also be available in the expanded school. If these two principle conditions of TBN funds are not met, the greater risk is that the Council will lose all the funding, including any already committed.
- 3.8 Achieving the required TBN expenditure and having accommodation ready for pupils by 31 August 2015 requires a relatively tight building programme and is reliant on a contractor being already appointed and in a position to mobilise and commence works in early January 2015. To achieve these milestones, the procurement process needs to already have taken place such that the contract could be awarded upon Cabinet approval, in December 2014, of the permanent expansion of pupil numbers at Manor School. The programme of building works is expected to take 9 months, where enabling works will have already completed and where, towards the close of the construction programme, external improvements to create all weather play areas are to form the bulk of outstanding works. As such, it is anticipated that, by the end of August 2015, the full amount of TBN monies will have been spent and the 44 additional pupils could be accommodated in newly built classrooms, remodelled areas and that the school will be able to suitably manage day to day operational duties. The EFA grant agreement also requires that of the total TBN grant to be spent by end of August 2015, the provisional allocation of £357k received in 2013/14 be spent by the end of

August 2014. This expenditure will be met through required enabling works, associated fees and development costs.

3.9 Similarly, in the interests of delivering a completed scheme within the required time-line, planning permission for the preferred design option has been submitted, for which a decision by 25 July, at the earliest, is expected. At the time of drafting, planning approval had not been granted.

3.10 Officers consider there to be less risk to the Council to proceed with activities to prepare for this project prior to conclusion of the statutory process on the expansion of pupil numbers which will commence in September 2014 and conclude prior to the Cabinet decision in December 2014, as the risk of not doing so would prevent the additional school places being provided at all as the majority funding (£1.54m) would be withdrawn. The preferred approach would be to now commence the procurement process alongside obtaining planning approval and undertaking the statutory process on school expansion which will begin in September 2014.

The procurement process:

3.11 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response	
(i)	The nature of the service.	Building works to support proposed expansion works at Manor School.	
(ii)	The estimated value.	The estimated value is £1.6m over a 9 month programme	
(iii)	The contract term.	Nine months from January 2015.	
(iv)	The tender procedure to be adopted.	Single stage selective tender after open advertising via the e- Portal.	
v)	The procurement timetable.	Indicative dates are:	
		Adverts placed on London e-Tender Portal	03.09.14
		Expressions of interest returned	19.09.14
		Invite to tender	19.09.2014
		Deadline for tender submissions	14.10.2014
		Panel selection, evaluation and shortlist for interview	15.10.2014 -5.11.2014

Ref.	Requirement	Response														
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(vi)	The evaluation criteria and process.	<p>An open or single stage tender process will operate. This will consist of the following elements:</p> <ol style="list-style-type: none"> 1. A check will be undertaken in accordance with the Council's Contract Procurement and Management Guidelines by the use of a qualification questionnaire to identify organisations meeting the Council's financial standing requirements, technical capacity and technical expertise. 2. Tenders will be evaluated to identify the most economically advantageous tender using the following criteria: <ul style="list-style-type: none"> Quality Criteria (60%): <ul style="list-style-type: none"> • Management Structure • Logistical Approach and Preliminaries • Procurement & Supply Chain Strategy, Organisation, Communication Arrangements • Design Development • Programme & Programme Efficiencies Price Criteria (40%): <ul style="list-style-type: none"> • Costs and Benchmarks • Pricing Submission 														

- 3.12 The evaluation panel will include the Council's project manager and technical advisers. It will be overseen by the Council's procurement officer. In accordance with Standing Orders, the Director of Legal and Procurement and the Chief Finance Officer shall, if he/she considers it appropriate, be part of or appoint a representative to the evaluation panel or shall advise the panel as he/she sees fit.
- 3.13 The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.
- 3.14 Following this procurement process, Cabinet's approval to award of the works contract will be sought in December 2014, subject to the outcome of the consultation on the expansion of pupil numbers which will be presented at the same meeting.

4.0 Financial Implications

- 4.1 The Education Funding Agency, upon receiving an application from Brent Council, awarded the Council £1.541m of Targeted Basic Need (TBN) grant funding in October 2013 to support capital works required to accommodate an additional 44 pupils at Manor School. The EFA states that the whole of the TBN grant is to be spent by end of August 2015, of which £357k has to be spent by end of August 2014. These targets will have been met, by means of enabling works, associated fees and development costs and all 44 additional pupils will have been accommodated at Manor School, thereby it is anticipated that the scheme will deliver on TBN compliancy requirements. The capital grant agreement requires that any underspend or surplus funds after the completion of the projects should be notified to and will be subject to reclaim by EFA. It is not intended to allow surplus funding to be used to extend the scope of projects or to deliver other projects. In the event that Cabinet decide not to proceed with the expansion at Manor School all of the TBN funding (£1.54m) would be subject to reclaim by the EFA.
- 4.2 The Council's Contract Standing Orders state that works contracts exceeding £500k (High Value Contracts) shall be referred to the Cabinet for approval to procure and for its subsequent approval to award a contract. Accordingly, as the indicative contract sum for proposed building works is estimated at £1.6m Cabinet is requested to approve commencement of the procurement process. Total scheme costs including enabling works, development costs, fees and contingency are estimated at £2.182m.
- 4.3 Cabinet is asked to approve the allocation of £641k from Basic Need Capital grant allocated to the Council for the provision of school places in order to address a funding gap between the allocated TBN grant and the total estimated project cost, thus enabling the retention of £1.54m TBN grant and the delivery of 44 additional school places. The use of these allocations will reduce the amount of available resources to fund future school expansion schemes forecast in the overall programme of works.
- 4.4 Members should note that in addition to the delivery of additional school places to meet the council's statutory duty there are financial benefits to be

gained by progressing a construction scheme that provides an additional 44 pupils at Manor School. These benefits are the cost avoidance associated with the alternative to providing places at Manor which is the cost of placing pupils in independent special schools or in out borough schools, as well as avoiding additional transport costs that this would incur. It is noted that the average annual cost for a place at Manor School is £24k, whereas the average annual cost of an out borough independent school is £40k, a difference of £16k per annum per place. The provision of 44 additional pupil places at Manor would, in a full year, deliver cost avoidance of £727k. Over 5 years cost avoidance of £3,636m would be achieved. In addition, the average annual cost of transporting an SEN pupil to an in borough school is £3k; the average cost of transporting an SEN pupil out borough is £9k, a difference of £6k. In a full financial year, if 44 pupils are accommodated at Manor, this would mean the Council avoided costs of £268kon transport that would otherwise have to be spent on transporting pupils to out borough independent schools. These figures relate to the avoidance of additional costs rather than savings to existing revenue budgets.

- 4.5 If Manor Special School is not expanded, the pupils will have to be placed in out borough provision. Most neighbouring boroughs maintained special schools are also full. If places could not be secured at out borough maintained special schools, the council would have no choice but to secure places at Independent provision, which are invariably at a higher cost per place than Local Authority maintained schools. There would also be a significant increase in costs to the SEN transport budget which is primarily funded from the General Fund.
- 4.6 The benefit of commencing with the procurement process in August is to enable the contractor to mobilise in December 2014, thereby allowing sufficient time for the full building works contract to run 9 months from January 2015 to September 2015, by which time, it is understood that full TBN monies will have been spent and pupil ready to be accommodated in a physically expanded school.
- 4.7 Any costs incurred by the Council in regard to enabling works, associated fees and development costs prior to a Cabinet approval for an award of contract subject to the outcome of the consultation on the expansion of pupil numbers will be at risk. Should the Cabinet approval not be obtained and the scheme not proceed any such costs would have to be treated as abortive and recharged to the Council's revenue account within which there is no budget for such costs. The council would not be able to utilise any EFA capital funding should the scheme become abortive and any TBN grant associated with the scheme would have to be returned.

5.0 Legal Implications

- 5.1 Under sections 13 and 14 of the Education Act 1996 as amended by the Education Acts 2006 and 2011 the local authority has a general statutory duty to ensure there are sufficient school places available to meet the needs to include any special educational needs of the population in its area. The local authority must promote high educational standards ensure fair access to

education opportunity and the fulfilment of every child's educational potential. To discharge this duty the local authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.

- 5.2 It is understood that demand is increasing for school places and that the proposed expansion at Manor School will provide 44 of the additional primary special school places of the 71 projected needed by 2020. The cost to the Council of not providing this statutory provision is highlighted in the main body of the report and in detail in paragraph 4.3.
- 5.3 Cabinet is requested to authorise in principle the use of additional funding of £641k required to deliver the provision of additional places and to commence the procurement process for a works contract in August 2014. Approval to both recommendations is sought ahead of the consultation on expanding school numbers. This is to ensure the time-lines as dictated by the EFA's TBN funding may be met and so that the Council meets its compliancy requirements. Neither approval will commit the Council to proceeding with the expansion should Cabinet in December 2014, having had regard to the statutory process on the expansion of pupils numbers, decide not to proceed with the expansion at Manor School.
- 5.4 The estimated value of the works contract is £1.6m and is therefore below the EU threshold for works contracts of £4,322,012 as contained in the Public Contracts Regulations 2006. The works contract is however classed as a High Value Contract under the Council's constitution. As such, the Council's Cabinet must approve the pre-tender considerations set out in paragraph 3.11 above (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 5.5 The procurement process is outlined in paragraph 3.11 and tenders will be advertised via the London e-Tender Portal.
- 5.6 It will be necessary for tenderers to be advised during the tender process that the procurement is subject to Cabinet approval following conclusion of consultation on pupil numbers. The contract will also make it clear that performance of contract must be completed before the end of August 2015.
- 5.7 Once the tendering process is undertaken Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award. Following award, it is anticipated the successful contractor will mobilise to be in a position to commence works in January 2015, subject to formal approval for the expansion of pupil places, which is also to be decided by Cabinet in December.

6.0 Diversity Implications

- 6.1 An EIA is attached to this report.

The following statements are extracted from the Director of Children & Families 'Education Business Case for Expansion at Manor School' dated 15

July 2014:

The Council's Special Educational Needs (SEN) and Disability services have been facing pressures arising from increased demand for specialist education placements for a number of years. This increase in demand is in line with a national trend due to advances in medical technology and higher survival rates of children with complex needs and increases in medical diagnoses for conditions such as autism. It has also been exacerbated in Brent by increased inward migration. The council has a statutory duty to provide sufficient school places for children within its area. There will be increasing demand for school places as a result of the growing pupil population which will continue to grow rapidly until at least 2020. The school population in Brent has increased by 3151 in less than four years, and correspondingly there is also an increase in demand for special school places. In recent years the council has had to place pupils in expensive out borough independent provision as special schools within Brent are full.

Manor is special school with a Good Ofsted rating. The school offers places to pupils aged from 4 -11 with a wide range of learning difficulties, and has considerable expertise in a range of teaching methods to meet the needs of pupils with Autism, Moderate learning difficulties and severe learning difficulties.

The proposal to provide an additional 44 places will help meet growing demand and achieve considerable educational and financial benefits. It will enable 44 children with significant special educational needs to access a local special school who would otherwise have to be placed in independent special schools at some distance from their home addresses. This will reduce the amount of time they have to spend on daily transport and will enable them to mix with other children closer to their home addresses maximising the chances of developing local friendships. Manor School is popular with parents and pupils, and its expansion would also help meet parental demand.

The following factors are also to be considered as viable reasons for progressing with the scheme and so commencing the procurement process so as to ensure delivery of accommodating an additional 44 pupils:

- This expansion will provide 44 of the additional primary special school places of the 71 projected need by 2020.
- The expansion of the school will increase the availability of good quality special school experiences closer to home in a specialised environment that can meet the needs of ASD/SLD pupils.
- Will reduce travel time to and from school for ASD/SLD pupils and the cost of transport.
- Avoid costs on independent out borough provision and transport for 44 pupils with ASD/SLD needs.
- Align to the Council's strategic objective in its priority of supporting Children and Families in providing organisational efficiency.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The building works to accommodate the expansion Manor School by 44 pupil numbers will improve conditions of teaching accommodation, offer improved play areas and will thereby facilitate the organisation, management and operation of teaching systems throughout the school.
- 7.2 There will be additional job and career opportunities for staff at Manor School in order to cater for additional pupils.

8.0 Public Services (Social Value) Act 2012

- 8.1 Whilst the Public Services (Social Value) Act 2012 (the “Social Value Act”) does not apply to works contracts, Officers have had regard to considerations relevant to the Social Value Act in this procurement, namely the how the contract might improve the economic, social and environmental well-being of its area; and how, in conducting the procurement process, the Council might act with a view to securing that improvement; and whether the Council should undertake consultation.
- 8.2 The contract being procured has as the primary aim of improving the social wellbeing of one of the most vulnerable groups in Brent. Pupils and parent are being consulted regarding the proposed expansion of pupil numbers at the Manor School which will directly impact on the works contract.

Background Papers

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