

<b>MAYOR AND CABINET (CONTRACTS)</b>			
<b>Report Title</b>	Estate Management Unit – Schools Minor Works Contracts 2015		
<b>Key Decision</b>	Yes	Item No.	
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Children and Young People, Executive for Resources & Regeneration and Head of Law		
<b>Class</b>	Part 2	Date:	3 December 2014

### **Exclusion of the Press and Public**

It is recommended that under Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during discussion of this item because it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act as set out below and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **1. Summary**

- 1.1 This report sets out the key factors for consideration in agreeing planned maintenance works for the schools estate. It provides a list of proposed projects, based on need and supported by condition surveys, that can be delivered in the summer of 2015 and therefore having no or minimal impact on the schools.

### **2. Purpose**

- 2.1 To secure approval to the list of proposed projects utilising a sum of £1.6m from the Dedicated Schools Grant Capital Expenditure from Revenue Account (CERA).

### **3 Recommendation/s**

Mayor and Cabinet (Contracts) are recommended to:

- 3.1 Agree an allocation of [REDACTED] from the Dedicated Schools Grant CERA for the delivery of the schools minor works programme in 2015/16.

- 3.2 Agree the Schools Minor Works Contract schemes as detailed in Appendix A of this report at a total cost not exceeding £1.6m
- 3.3 Agree that works set out in the reserve list are tendered to determine whether further works could be procured through potential economies of scale.
- 3.4 Delegate authority to the Executive Director for CYP to progress the formal Council approvals for the works detailed at 6.4 and 6.6.
- 3.5 Delegate authority to the Executive Director for CYP to explore the potential to combine the 2015/16 Schools Minor Works Programme alongside identification of energy efficiency works in schools through the RE:FIT Schools Programme

#### **4. Policy Context**

- 4.1 The Local Authority has a duty to ensure the provision of sufficient places for pupils of statutory age and, within financial constraints, accommodation that is both suitable and in good condition.
- 4.2 In delivering the works contained within the 2015/16 Schools Minor Works Programme this will contribute to the delivery of the corporate priority *Young people's achievement and involvement: raising educational attainment and improving facilities for young people through partnership working*. Additionally, the works will assist in contributing to the corporate priority of *ensuring efficiency, effectiveness and equity in the delivery of excellent services to meet the needs of the community*. It also supports the delivery of Lewisham's *Children & Young People's Plan* (CYPP), which sets out the Council's vision for improving outcomes for all children and young people, and in so doing reducing the achievement gap between our most disadvantaged pupils and their peers.
- 4.3 The CYPP describes how partnership agencies, working with children, young people and their families, will support the delivery of the Borough's priorities for the wider community which are set out in Lewisham's Sustainable Community Strategy 2008-2020, and, in particular in relation to this report, its priority *Ambitious and Achieving* – where people are inspired and supported to achieve their potential.
- 4.4 As owner of the school buildings, the Council has a statutory duty under the Health & Safety at Work Act 1974 and associated approved codes of practice, to ensure that schools are fit for purpose and use by pupils and staff. Whilst schools are responsible for day to day maintenance of their buildings, any significant expenditure on capital schemes has to be funded by the Council.

#### **5. Background**

- 5.1 The Lewisham primary school estate, consists of property that ranges from Victorian/Edwardian construction through to that erected in the 1960's. Despite the ongoing programme of primary school capital renewals, significant maintenance works are required. However it should be noted that those schools in need of urgent and immediate action have receded in recent years.
- 5.2 The minor capital works programme is supported by the DFE through the Schools Capital Maintenance Grant.
- 5.3 The Schools Capital Maintenance Grant supports essential capital works that ensure schools are safe for the pupils and staff while mitigating full or partial closure as a result of, for example, heating failure.
- 5.4 Condition surveys are undertaken to identify essential maintenance works and indicative costs for the Schools Minor Capital Works Programme. The aforementioned surveys have informed the priority and costs for this report.
- 5.5 Due to the pressure on the resources available for the school places expansion programme, it is proposed that in 2015 and 2016 the DFE school capital maintenance grant is applied to that programme. There are unapplied resources in the Dedicated Schools Grant Asset Management Fund and it is proposed that these are used to support the schools capital maintenance programme in 2015/16 and 2016/17. The sum proposed in 2015/16 is £1.6m which should be sufficient to meet the identified demands for works that need to be undertaken.

## **6. The Process of Schools Minor Works Contracts 2015**

- 6.1 On 15 September 2014 primary school headteachers were invited to submit an application for funding to undertake essential capital repairs to their schools. The bids were independently evaluated against the DfE Condition Rating Criteria (see table below – Condition Grading). Schools were advised that due to limited resources available for the programme only D1-rated works (the highest/most serious category) would be considered for inclusion. Furthermore, to be eligible for consideration, schools were required to support their application with a condition survey undertaken by a suitably qualified surveyor. This process was supported throughout by the schools Estates Management Team who provided advice and feedback on potential applications.
- 6.2 Bids were returned by 5 November 2014 and were evaluated by Pinnacle ESP, who were selected from the Council's Consultancy Framework. Their brief was to provide an assessment of the bids highlighting the condition, priority and estimated costs for the works. The following considerations were taken into account during this exercise:
  - The age of the elements inspected
  - Their likely lifespan

- Signs of deterioration
- Any possible breach of H&S legislation

<b>Condition Grading</b>	
<b>Grade A</b>	Good. Performing as intended and operating efficiently
<b>Grade B</b>	Satisfactory. Performing as intended but exhibiting minor deterioration.
<b>Grade C</b>	Poor. Exhibiting major defects and/or not operating as intended
<b>Grade D</b>	Bad. Life expired and/or serious risk of imminent failure.

<b>Priority Grading</b>	
<b>Priority 1</b>	Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to health and safety of occupants and/or remedy a serious breach of legislation.
<b>Priority 2</b>	Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a serious breach of legislation.
<b>Priority 3</b>	Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.
<b>Priority 4</b>	Long term work required outside of the five year planning period that will prevent deterioration of the fabric or services.

6.3 Bids were received from the schools listed below:

- Chelwood Nursery School
- Brindishe Green School
- Baring School
- Drumbeat 6<sup>th</sup> Form School
- Myatt Garden School
- Ashmead School
- Haseltine School
- Torridon School
- Deptford Park
- John Ball School
- Coopers Lane School

- Abbey Manor College (John Evelyn site)

The bids from schools were supplemented with information held by the LA on the condition of school buildings from past condition surveys and day to day working knowledge of school site issues.

- 6.4 The table below sets out the elements of works recommended for inclusion in the programme:

School	Element	Work	Estimated Cost
Baring	Mechanical services	Water heaters replacement	██████
Chelwood Nursery	Mechanical services	Water heaters replacement & pipework renewal	██████
Drumbeat 6 <sup>th</sup> Form	Mechanical services	2x Boiler renewal and associated works	██████
Myatt Garden	Building fabric	Roof renewal to gym/hall	██████
Ashmead	Building fabric	Boundary wall repairs	██████
Abbey Manor College (John Evelyn site)	Building fabric	Window replacement	██████
Haseltine	Building fabric	Boundary wall rebuild	██████
Torridon School	Building fabric	Roof replacement (Block B only)	██████
Deptford Park	Electrical services	Full electrical rewire (Block A only)	██████
Brindishe Green	Electrical services	Fire alarm, and lighting systems renewal	██████
<b>Total</b>			██████

- 6.5 The estimated costs, as noted in the table above, are inclusive of contingency, professional fees and asbestos R&D surveys (10% per element). Asbestos surveys (if required) will be co-ordinated over the Easter holiday which would further reduce any inconvenience to the schools and mitigate works overrunning into the autumn term.

- 6.6 The table below details the works that are proposed to be delivered in two phases (Phase 1 in 2015; Phase 2 in 2016). This approach is recommended in order to prioritise the works where the need was greatest; where the impact on loss of service would be most keenly felt; and, to share the limited resources available across the schools estate more equitably. These works will be specified and tendered along with the works recommended in 6.4.

School	Element	Work	Estimated Cost
Torridon	Building fabric	Roof replacement (Block	██████

		A)	
Torridon	Building fabric	Roof replacement (Block C)	██████
Haseltine	Building Fabric	Boundary wall repairs	██████
Deptford Park	Electrical services	Full electrical rewire (Blocks B – E)	██████
<b>Total</b>			██████

## 7. Reserve List

- 7.1 The table below identifies additional elements of work that could be considered for inclusion in the programme (the Reserve List). It is proposed that they are developed up to tender stage and included in the Invitation to Tender packs to prospective contractors. Economies of scale could be achieved in procuring works this way, particularly as it can prove more costly to vary a contract by bringing works in at a later date. This report seeks delegated authority to the Executive Director of CYP to determine whether (subject to budget) works from the reserve list should be included within the Minor Capital Works Programme for 2015/16.
- 7.2 If the tendered sums fall short of the pre-tender estimates, some of these works could be brought into the programme (up to the proposed allocation of ██████). If not, they can be held in reserve for consideration of inclusion in the 2016/17 Schools Minor Works Programme.

School	Element	Work	Estimated Cost
Brindishe Green	Building fabric	Replacement of soft play surfacing and ball court roof and new fencing	██████
Baring	Building fabric	Replacement of defective playground surfacing and new fencing	██████
John Ball	Electrical services	Rewire	██████
<b>Total</b>			██████

- 7.3 The table below sets out works that applications were received but not considered for the 2015/16 School Minor Works Programme

School	Element	Work	Estimated Cost	Reason
Coopers Lane	Building fabric	Roof replacement	██████	For possible inclusion in Primary Places Programme
Drumbeat 6 <sup>th</sup> Form	Building fabric	Window and external cladding replacement	██████	Other D1 rated works have higher priority; possible inclusion in Schools Expansion Programme
Rathfern	Building fabric	Replacement of defective	██████	Can be delivered through savings to the

		boundary wall		2014 programme
Forest Hill	Building fabric	Roof replacement to gym and art blocks (retained estate)	██████	Placed on 2014 reserve list; no significant deterioration of roof covering or reports of water penetration or localised repairs required
Coopers Lane	Electrical services	New PAVA system	██████	Non-D1 rated works
Coopers Lane	Electrical services	Upgrade of existing fire alarm system	██████	Non-D1 rated works
Brindishe Green	Electrical services	Replacement of small power circuits	██████	Non-D1 rated works
<b>Total</b>			██████	

## 8 RE:FIT Programme

8.1 RE:FIT is a procurement framework established by the GLA for energy efficiency retrofit works in public sector buildings. A dedicated strand for schools within the RE:FIT programme was established in 2013. The central benefit of the RE:FIT framework is that contractors provide guaranteed levels of energy savings for specified works. This facilitates funding of works under SALIX, an interest free loan for public sector organisations for energy efficiency capital works. SALIX loans can be repaid through reductions in future energy bills, which are underpinned through the energy savings guaranteed by the RE:FIT contractor. This model of funding energy efficiency works is well established in London and the RE:FIT schools programme has completed works in over 80 London schools to date.

8.2 The benefit of combining the schools minor works programme with RE:FIT and SALIX funding is that it could potentially free up funding from the minor works programme and allow additional works to take place.

## 9. Next Steps

9.1 All schools who submitted bids will be notified of the outcome of the evaluation exercise. They will fall into the following categories:

- Recommended for inclusion
- Placed on the Reserve List and final decision subject to value of tender returns
- Approved for delivery in 2016 programme as Phase 2 works
- Not recommended

- 9.2 The table below summarises the key activities leading up to works commencing on site in July 2015:

<b>Date</b>	<b>Activity</b>
November 2014	CYP DMT adopt programme
December 2014	M&C to approve programme, budget, procurement route and delegated authority to Executive Director for CYP to appoint recommended contractors
Dec 2014 – Jan 2015	Procurement of Contract Administrator services
Jan 2015 - Feb 2015	Detailed specification of works to be produced
March 2015	Tenders issued to contractors
April (Easter holiday)	R&D asbestos surveys carried out (if required)
April/May 2015	Tender evaluation and recommendation
June 2015	Pre-start meeting with school and contractor

## **10 Financial implications**

- 10.1 The DFE Capital Maintenance grant has been earmarked to support the school places expansion programme. However, the Schools Forum sets aside money each year for unanticipated capital maintenance needs in schools which has not been required in the last two years. It is therefore proposed that [REDACTED] is allocated for planned capital maintenance works in schools for 2015/16 and the capital grant applied to pupil places expansion works. If necessary the DSG unapplied resources could support a similar allocation in 2016/17.
- 10.2 The identified programme of works at [REDACTED] is within the identified funding envelope. The approach to tendering is expected to achieve costs less than the [REDACTED] identified and so a reserve list has been established from which additional works up to the full [REDACTED] could be delivered.

### Revenue Financial Implications

- 10.3 The works should result in reduced premises running costs for the schools in the programme. No additional revenue costs will fall upon the General Fund of the Council.

## **11. Legal implications**

- 11.1 The Council has a statutory duty to provide primary and secondary education as well as a duty to ensure that all educational premises are in a good and safe state of repair.



11.2 The works contracts must be procured in compliance with the Council's Contract Procedure Rules and the award of the Contract must be made in accordance with the Council's Scheme of Delegation.

11.3 This is a key decision and is therefore required to be include in the publication of key decisions.

**12. Crime and Disorder Implications**

12.1 There are no such implications arising from this report.

**13. Equalities Implications**

13.1 The planned maintenance works as proposed will benefit all pupils, staff attending and working in the schools.

**14. Environmental Implications**

14.1 The Council's environmental objectives will be addressed in the invitation to tender documentation and will form part of the criteria used in the tender evaluation.

14.2 Furthermore the proposed works will result in enhanced energy saving technology or improvements in building fabric. These will reduce utility liabilities and the schools carbon foot print.

**15. Conclusion**

15.1 This report identifies capital schemes that based on the DFE rating are required to be undertaken urgently. The procurement and delivery of the works will result in building fabric and mechanical enhancements therefore reducing the risk or potential full or partial closure of schools.

**Background Documents**

Appendix A: 2015 proposed programme

If there are any queries in relation to this report please contact **Matthew Eady, Service Manager, Estates Management & Contracts, CYP** on 020 8314 6491 email [matthew.eady@lewisham.gov.uk](mailto:matthew.eady@lewisham.gov.uk)