



## Mayor and Cabinet

### **Report title: Watergate School Expansion – Contract Award Report**

**Date:** 13 March 2024

**Key decision:** Yes.

**Class:** Part 1.

**Ward(s) affected:** Bellingham Ward

**Contributors:** Finance Business Partner, Executive Director for Children and Young People, Senior Lawyer

## Outline and recommendations

Watergate School currently provides 140 places for children with severe learning difficulties between the ages of 4 and 11 (108 on the main school site, and 32 temporarily based at a site in Ladywell). It is projected that the school will require a total of 186 primary SEND places by September 2025, and therefore the plan is to expand the main school site to accommodate 24 reception places and 27 per year group across Years 1 to 6 to meet the anticipated increase in need.

This report seeks:

- Approval for the overall budget and programme for these works.
- Approval to award a contract to the preferred Design and Build Contractor, providing the contract value is within the budget set out in Part 2.
- Delegated authority for the Executive Director for Children and Young People to select the preferred contractor, following the completion of the procurement process outlined in this report.
- Approval to engage with preferred contractor to progress the proposed design for the scheme up to a value not exceeding the allowance set out in Part 2.
- Approval to consult the public on intent to appropriate open space.

## Timeline of engagement and decision-making

- Mayor and Cabinet Place Planning Strategy 2017-22 – 22 March 2017
  - Mayor and Cabinet proposed expansion sites – 6 December 2017
  - Mayor and Cabinet approval to procure and budget allocation – 14 September 2022
    - Mayor and Cabinet contract award – 13 March 2024

### 1. Summary

- 1.1. This report seeks approval to award a design and build contract for the Watergate School Expansion scheme, and delegated authority for the Executive Director for Children and Young People to select the preferred design and build contractor following completion of the procurement process set out in Section 6.

- 1.2. The report also seeks approval for the revised timescales and budget for these works.

## **2. Recommendations**

It is recommended that the Mayor and Cabinet:

- 2.1. Approve the revised overall budget and programme for the Watergate School Expansion scheme, as set out in Part 2.
- 2.2. Approve the award of the contract to the preferred contractor to complete the design and build of the proposed Watergate School Expansion scheme provided the contract value is within authorised limits set out in Part 2.
- 2.3. Delegate authority to the Executive Director for Children and Young People (in consultation with Director of Law and Corporate Governance and Elections and Executive Director for Place) to select the preferred contractor in accordance with the selection and award criteria published in the tender documentation and agree the final form of contract.
- 2.4. Note that the proposed scheme involves the construction of a school building on open space and that this land must be appropriated before works can commence on it. No works will take place on this land unless and until authority is received for the land appropriation. This will require Planning Permission and authority from Mayor and Cabinet.
- 2.5. Approve the public consultation on the intent to appropriate open space, as set out at paragraph 5.6.
- 2.6. Approve the engagement of the preferred contractor to progress the proposed design for the scheme up to a value not exceeding the allowance set out in Part 2.

## **3. Policy Context**

- 3.1. The Local Authority has a duty to ensure the provision of sufficient places for pupils of statutory school age and, within financial constraints, accommodation that is both suitable and in good condition.
- 3.2. The proposal within this report is consistent with the Corporate Strategy 2022-2026, in particular the Corporate Priority to "...continue the fantastic work of the last four years, supporting our schools to improve and increasing the opportunities for young people in Lewisham".
- 3.3. In aiming to improve upon the provision of facilities for Special Educational

Needs and Disability (SEND) education in Lewisham which are appropriate for the 21<sup>st</sup> century, the implementation of a successful SEND strategy will contribute to the delivery of the Corporate Priority 'Giving children and young people the best start in life'.

#### **4. Background**

- 4.1. The Council has a statutory obligation to ensure the provision of school places in a sustainable way, across the borough. A need for Special Educational Needs and Disability (SEND) places for Lewisham children and young people was identified following on from the 2016 SEND review. The Place Planning Strategy 2017-2022 confirmed the need for increased SEND places and was originally approved by Mayor & Cabinet on 22 March 2017.
- 4.2. As part of the Place Planning Strategy 2017 - 2022, officers conducted feasibility studies of the available educational sites and these show that the extra provision can be provided alongside a rationalisation of the educational estate. Specifically; Watergate School can be extended within a wider site redevelopment scheme.
- 4.3. It was identified within the Place Planning Strategy 2017 - 2022 that there was need for an increased number of SEND school places, as a high number of SEND students currently receive out-of-borough provision (resulting in a high cost to the Authority, and inconvenience to the families). This includes an additional 59 primary Severe Learning Difficulty (SLD) places, and 93 secondary SLD places and a need to offer KS4 Social, Emotional and Mental Health (SEMH) provision.
- 4.4. On 6 December 2017, a report was presented to the Mayor recommending Watergate and Greenvale schools as the preferred locations to provide additional primary SLD and secondary SLD places respectively. Officers were therefore duly authorised to commence the statutory consultation process to:
  - Expand Greenvale School from 117 to 210 places
  - Expand Watergate School from 108 to 167 places
- 4.5. On 28 February 2018, the Mayor approved the expansions of Watergate and Greenvale schools, the project budgets, and authorised officers to procure the capital works required to facilitate them via Lot 18 of the London Construction Programme (LCP) Framework.
- 4.6. Unfortunately, this procurement process was unsuccessful, as only one tender was submitted for the two schemes which was unaffordable. The tender exercise was therefore closed without a contract being awarded.
- 4.7. On 10<sup>th</sup> September 2018, the Executive Director for Resources and

Regeneration authorised officers to re-procure the expansion works to Watergate and Greenvale schools utilising an open tender OJEU process, in order to attract greater interest from a wider range of contractors.

- 4.8. Following a successful tender exercise a PCSA contract was awarded to Geoffrey Osborne for Greenvale School at Mayor and Cabinet on 28 January 2019 and Watergate School at Mayor and Cabinet on 24 April 2019.
- 4.9. During the tender stage of the Watergate project, officers became aware of a number of additional design requirements which needed further attention and discussion with the school. The number of additional places to be accommodated at the school also increased.
- 4.10. In June 2019 Avanti Architects carried out a Watergate masterplan feasibility study, incorporating the school's additional design requirements and exploring the potential to develop and enhance some of the surrounding Council-owned land. It transpired that the additional requirements meant that a further re-scope, additional approvals and further consultation with internal and external stakeholders would be required. The decision was therefore taken to postpone the project, until this exercise had been carried out and the total number of additional pupil places required had been confirmed.
- 4.11. In 2021, the total number of primary places required on the Watergate School site was confirmed as 186. In November 2021, Ellis Williams Architects were procured to develop a revised feasibility study, based on the updated requirements and having reviewed all previous feasibilities undertaken to date. The aspiration was to improve and redesign existing play facilities (the Dumps Adventure Playground) as part of a broader, mixed-use development, which could see the introduction of some new provision as well as an expansion of the school site to provide additional external play space, and an area for vehicular drop-off/pick-up.
- 4.12. The feasibility was consulted on and then a preferred option was agreed in principle by all key stakeholders. In June 2022, Ellis Williams Architect were then procured to further develop the design up to RIBA Stage 2. Later, in November 2022, this appointment was extended to develop the designs up to RIBA Stage 3, which included the preparation of the Planning documents and the tender pack to procure a contractor to complete the designs up to RIBA Stage 3 and undertake the works.

## **5. Proposed Scheme**

- 5.1. The proposed scheme for the Watergate School Expansion will involve the construction of a new building, adventure playground, multi-use games area (MUGA), natural play area and road that will extend the school's current vehicle

access route from Oakview Road on to Sedgemoor road. Additionally, the Dumps Youth Centre building, Gold Classroom in the existing school building, and the school's existing carpark area will be refurbished and reconfigured. The following paragraphs provide further detail on each element of the scheme.

## 5.2. New Watergate School Building

5.3. The proposed Watergate School Expansion will be built on the site of the existing Dumps adventure playground. It will provide the school with 8 additional classrooms, with dedicated external play areas that are covered, and 8 separate groups rooms for each class. It will also house a kitchen, which can be used for catering lessons; activity room, which will also function as a dining room; soft play room with a sunken trampoline; large specialist room that can be subdivided; staff work room; staff room with an external terrace; and two lifts, one of which can operate in fire evacuations.

5.4. The existing carpark within the school site will be turned into an external play area, with play ground markings. Additionally, the current vehicle route on to site from Oakview Road will be extended on to Sedgemoor Road, so school buses that drop off and pick up children can exit the site on to Sedgemoor Road, alleviating congestion on Oakview Road.

5.5. The Gold Classroom in the existing school building will be reconfigured by removing a storage area, to create more active space, and the existing hoist frame will be extended to cover the additional space.

## 5.6. Land Appropriation

5.7. The proposed site of the new building and existing adventure playground is categorised as an open space. In order to construct a building on open space, the Council is required to appropriate the land. This is a statutory process that requires newspaper notification of the appropriation in accordance with s.122(2A) Local Government Act 1972, giving an opportunity for the public to raise objections to the proposal. The planning application for the proposed works was submitted and validated in February 2024, and a decision is expected in May 2024. Public consultation will follow the grant of planning permission and a report will be brought back to Mayor and Cabinet to consider consultation responses received.

5.8. As Watergate School is a Foundation School, the governing body is responsible for its land and buildings. Given that the proposed new school building is being built on Council owned land, arrangements will need to be made between the school and the Council about the use of this land. These arrangements will need to be in place prior to completion of the works and handover of the site.

5.9. The paragraphs below demonstrate that this open space is no longer required, and describes how the adventure playground facility will be reprovided elsewhere on the wider site.

5.10. New Adventure Playground, MUGA and Natural Play Area

5.11. As the existing adventure playground (APG) is being removed to make way for the new school building, a new adventure playground will be provided on part of what is currently outdoor playing field. The APG will be constructed in compliance with the Council's Play Strategy, so will use materials and build structures that are easier and less costly to maintain.

5.12. A hard surface MUGA pitch will also be constructed on the existing playing field. Sport England are supportive of the proposal, even though it involves the replacement of part of a grass playing field, because it will provide an improved and higher quality facility that allows for accessible sports, such as wheelchair rugby. Since the MUGA will be used by the school, which has a higher number of children with disabilities, Sport England were satisfied that the proposal would unlock sporting opportunities that would otherwise not be available.

5.13. The proposed natural play area is part of the former Sedgehill Community Centre site. It is currently just a grassy area with a mound in the middle. The proposed scheme will maintain the area's existing natural features but will enable activities, such as cultivating, foraging, climbing and a mud Kitchen, with slight adjustments.

5.14. The outdoor areas (APG, MUGA and natural play area) will be accessible to the school during school hours, and the Dumps Youth Centre outside of school hours and term time.

5.15. The Dumps building will be renewed internally, with a new kitchen, and redecorated throughout. The layout will be reconfigured by removing an office to increase the main activity space and creating a new opening, with double doors, facing the proposed adventure playground and MUGA. The office space will be reprovided in what is currently a storage room and additional shelving will be provided throughout the building to offset the loss of the storage room.

5.16. The proposed site plan for the scheme is appended to this report to provide an illustrated overview of the scheme.

## **6. Procurement**

6.1. Authority to procure a contractor to design and build the proposed Watergate School Expansion scheme was received from Mayor and Cabinet on 14

September 2022. The tender opportunity was published on the London Tender Portal on 18 December 2023 and the deadline for returns was on 26 February 2024. The tender evaluation process is currently underway and is expected to be complete by April 2024, at which point a preferred contractor will be selected.

- 6.2. As Planning Permission has not been granted for the scheme, and Mayor and Cabinet have not authorised the appropriation of land noted at 5.6, the preferred contractor cannot be instructed to commence works onsite. Although approval is being sought to award the contract and delegate authority to select the preferred contractor, the preferred contractor will initially be employed to progress the designs for the scheme only. This is required to ensure that design development work can continue and the project can stay on programme for a summer 2025 completion. It is essential that this date is achieved, as neither the existing school site nor the temporary facility at Ladywell have sufficient capacity to accommodate the additional two classes of students due to start at the school in September 2025.
- 6.3. Therefore it is recommended that Mayor and Cabinet approve the award of contract for the design and build of the proposed Watergate School Expansion scheme and the delegation to the Executive Director for Children and Young People to select the preferred contractor, provided that the contract value is within the budget set out in Part 2, but noting that no works will commence onsite until a decision has been taken on the land appropriation and Planning Permission has been achieved. Full details of the procurement and tender evaluation process undertaken will be provided in the report prepared for the Executive Director for Children and Young People.
- 6.4. Furthermore, it is recommended that Mayor and Cabinet authorise the appointment of the preferred contractor to develop the designs for the scheme, provided that the value of this service does not exceed the allowance set out in Part 2.
- 6.5. It should be noted here that there is a risk that Planning Permission is not granted and Mayor and Cabinet do not authorise the appropriation of open space noted at 5.6. This would mean the proposed designs cannot be implemented and the expenditure on developing the designs becomes an abortive cost.

## **7. Programme**

- 7.1. The table below outlines the timescales from the appointment of the Council's preferred contractor to completion of works on site and the end of the defects period.



<b>Watergate School Expansion Project Milestones</b>	
Tender returns	February 2024
Consultation on Land Appropriation	March 2024
Complete tender evaluation	April 2024
Complete design	April – July 2024
Planning Permission granted	May 2024
Mayor and Cabinet decision on land appropriation	June 2024
Commence works on site	July 2024
Works completed and handover	July 2025
New building open to pupils	September 2025
End of defects period	July 2026

## **8. Budget**

8.1. See Part 2.

## **9. Financial Implications**

9.1. The revised budget can be fully funded by a combination of s106 funding, SEND High Needs grant and Basic Needs grant.

9.2. The SEND High Needs grant has conditions attached that the council must adhere to. If these conditions are breached, then the council could potentially be required to pay some or all these funds back to the DfE. Grant returns are completed annually to show the council's compliance with these grant conditions.

9.3. There is a risk that additional budget may be required for this project due to scenarios such as increased costs, additional works or time delays. Any increase in budget would require additional funding and approval. This risk will be mitigated as much as possible through effective budget monitoring.

9.4. Budget monitoring of the project will occur monthly, with progress being scrutinised at both the Regeneration & Capital Board (RCB), as well as in the Full Council's monthly budget monitoring reports.

9.5. See Part 2 for further details.

## 10. Legal implications

- 10.1. This report proposes that Mayor and Cabinet approve the award of a contract for the Watergate Expansion Works. This report further proposes that Mayor and Cabinet instruct the Executive Director for Children and Young People (in consultation with Director of Law and Corporate Governance and Elections and Executive Director for Place) to give effect to this decision by applying the selection and award criteria to determine and enter into contract with the preferred contractor.
- 10.2. The decision to award the contract contained in this report is a Key Decision under Article 16.2 (c) (xxiii) of the Constitution as it has a value of more than £1.5 million. It is therefore required to be contained in the current Key Decision Plan and the Council's Key Decision procedure must be followed.
- 10.3. Provided that the final contract value is within authorised limits set out in the Part 2 report and the preferred contractor is selected in accordance with the selection criteria published in the tender documentation, then the selection by the Executive Director for Children and Young People of the preferred contractor in accordance with Mayor and Cabinet's direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred contractor selected, and officers from Legal Services should be consulted as necessary throughout the selection and award process.
- 10.4. The report recommends engaging with the preferred contractor to progress the design for the scheme up to a value not exceeding the allowance set out in Part 2 for the reasons set out in the report. The full works contract will not be entered into unless and until the appropriation is approved.
- 10.5. Construction of the works is proposed on land that belongs to the Council and is currently used as an adventure playground. This parcel of land is therefore categorised for the purposes of the Local Government Act 1972 as "open space" and it is proposed that, following the grant of planning permission for the works, the use will be changed (or appropriated) from this use to an alternative use (i.e. school purposes). Section 122(2A) Local Government Act 1972 permits the Council to appropriate land from one use to another provided it publishes notice of its intention to do so for two consecutive weeks in a newspaper circulating in the local area, and considers any objections to the proposed appropriation which may be made. This report seeks authority to commence that consultation process (following the grant of planning permission), noting that a further report will be brought back to Mayor and Cabinet to consider any responses received in order to determine whether or not to appropriate the land. It is not necessary to provide exchange land for the land being appropriated but it will be necessary to show in that report that the

land is no longer required for the purpose for which it is held immediately before the appropriation. The body of this report provides further information in that regard.

## 11. Risk Implications

11.1. The table below provides the risks associated with taking and not approving the recommendations within this report.

Risk	Mitigation
Planning Permission is not granted or award is delayed	Work closely with Planners to ensure scheme is acceptable prior to submission
Local residents and community object to land appropriation	Consult residents and local community early on and obtain buy-in
Works are not delivered in time for September 2025 intake	Monitor programme closely and work closely with school to explore mitigation options

## 12. Equalities implications

12.1. The services provided will benefit all pupils and staff in the school, as well as the community. No individual person or group will be disadvantaged because of any protected characteristic in the Equality Act 2010 and the requirements of the act will be fully taken into account during the project.

## 13. Climate change and environmental implications

13.1. The building is designed to be Net Zero Carbon in operation. It will be fully electric and so can be entirely powered through sustainable energy sources.

13.2. The building will be heated with an air source heat pump which is an environmentally friendly form of heating.

13.3. The specification calls for the Contractor to meet the requirements of the DfE Output Specification and Technical Annexes, including Annex 2J Sustainability. There is also a requirement to measure and report on the performance of the design and construction.

## 14. Crime and disorder implications

14.1. There are no Crime and Disorder Implications arising from this report.

## 15. Health and wellbeing implications

15.1. The Watergate School expansion project will help to improve the health and wellbeing of staff, children and the community by creating a safer environment and better functioning facilities for the school and community.

## 16. Background papers

- 16.1. 14<sup>th</sup> September 2022 Watergate School Expansion Project: Approval To Procure And Budget Allocation
- 16.2. 19<sup>th</sup> February 2018 SEND School Expansion Mayor and Cabinet Report

## 17. Glossary

Term	Definition
JCT	Joint Contracts Tribunal who produces standard forms of contract for construction works
Procurement	The process of finding and agreeing to terms, and acquiring goods, services or works from an external source, often via a tendering or competitive process

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## 19. Appendices

- 19.1. Appendix A – Proposed Site Plan