

North Somerset Council

Report to the Executive

Date of Meeting: 7 December 2022

Subject of Report: Approval of joint Commissioning and Procurement Plan to progress with Schools capital upgrades – remaining roofing programme

Town or Parish: Kewstoke

**Officer/Member Presenting: Cllr Cartman – Executive Member for Corporate Services
Alex Hearn, Assistant Director for Placemaking & Growth**

Key Decision: Yes

Reason: The expenditure is in excess of £500,000

Recommendations

- It is recommended that this joint commissioning and procurement plan for the procurement of roofing and other construction works at Kewstoke Primary School be approved.
- Approve allocation of up to the value of £1.75m from the Schools Capital Maintenance programme (approved at Council 15th February 22) for Kewstoke Primary School to support essential repairs and improvements.

1. Summary of Report

It is requested that the Executive supports the route of an open tender to deliver specified capital maintenance works at Kewstoke Primary School and approves the inclusion of the project at Kewstoke Primary School as part of the council's capital programme for 2022/23 and 2023/24 to support essential repairs and improvements up to the value of £1.75m.

2. Policy

This project falls within the school's capital maintenance programme which was approved at the February 2022 Full Council. (See [Committee Report NSC \(moderngov.co.uk\)](#) Appendix 2, table 2.1).

Kewstoke Primary School is classed as a maintained school and as such the council is the employer of staff and the buildings are a corporate resource. Significant condition concerns have been raised and this project looks to rectify these. Many schools are, in line with Government expectations, converting to academy status. The council has an agreed policy not to fund capital schemes at maintained schools who have an Academy Order in place stating their intention to convert to become an academy. Kewstoke Primary School does not have an Academy Order in place at this time.

Councils are responsible for the maintenance of their schools. Multi—Academy Trusts take over that responsibility when a school converts to become an academy. The council has a duty to ensure that schools that are within its control are safe, but it is also acknowledged that due to funding shortfalls, there is a significant challenge in relation to the backlog maintenance of the council's school building stock. Even when a school is considering an academy conversion, the DfE expects LAs to treat schools considering academy conversion fairly, including by investing in high-priority condition issues and honouring any commitments of capital funding that they have made. On academy conversion, at a minimum, schools should be in a safe condition with no health and safety or regulatory compliance issues.

3. Details

Introduction

The school currently contributes to the provision of school places in the council's area and is forecast to be needed for the foreseeable future.

An elemental condition survey has been undertaken which makes comment on the condition of the main elements of the building. This has been developed into a five-year maintenance plan which highlights maintenance work anticipated within a specific five-year plan.

The preparation of a five-year plan should be undertaken in a regular routine to enable it to be updated and forecast future requirements throughout the operational life of the building. The calculation for the estimated costs of the current plan has been undertaken using rates from published BCIS information with reference made to the BCIS Building Maintenance Price Book, 2020 Edition. Market prices may vary from the figures used when local constraints, labour availability and material costs are taken into consideration. These costs are a guide for use during planning only and have not been market tested.

The survey found that the roof to the main building is approaching the end of its service and requires invasive inspection to assess the condition of the battens and felt. An allowance for replacement of the roof has been made. In addition to the maintenance issues identified within the report, there are a number of suitability issues which require immediate attention. In particular, the toilets and welfare arrangements are original external structures and there is insufficient space within the school for staff needs.

The scope of the project has been provisionally agreed and is to include a new roof on the original school building, an extension to the front facing aspect of the school to form a relocated staff area and the provision of new welfare facilities for both staff and pupils.

Any professional services required will be procured in line with Contract Standing Orders.

Contract Structure

The contract will have a total term of 24 weeks, with no extensions. Given the nature of the project works that are included an extension is not deemed necessary. The total value of the project is £1.75m, which includes professional and other associated fees, however this construction element has a budget of approximately £1.4m.

The work is due to commence in June/July 2023, in line with the school summer holidays, to mitigate risks of bad weather or working on a live site. The terms and conditions to be used will be the JCT Intermediate Form of Building Contract.

Market / Suppliers

The current market for works contractors is somewhat challenging and competitive for buyers, with contractors having limited resources to bid for and deliver new contracts and prioritising the most lucrative ones. There is an open tender route, as well as frameworks options the council could use, both of which demonstrate a clear pool of suppliers working in the South West who may be interested in our contract.

This contract may not be attractive to larger suppliers, due to its comparatively low value, however there is a market of suppliers bidding for work within our spend threshold which suggests there is an appetite for this value of project.

Route to market

We recommend carrying out an open tender because this gives maximum opportunity of competition across the market, allows local suppliers access to the opportunity and gives us the greatest freedom to design the evaluation methodology (weightings).

Outline timeline

An outline timetable of key milestones is detailed below:

Approval of Joint Commissioning & Procurement Plan	December 2022
Market testing	December 2022-January 2023
Completion of Tender Documents	January 2023
Open Tender bids issued	February 2023
Tender Evaluation	March/April 2023
Award of Contract	May 2023
Contract Commences	June/July 2023
Project Completion	September - November 2023

Social Value

In accordance with the Council's Social Value Policy, 10% of the overall weighting will be for bidders to propose their tangible social value commitments.

During the tender process, bidders will be asked to enter their social value commitments on the Social Value Portal. Social Value Portal utilises the National Themes, Outcomes and Measures (TOMs) to calculate social value contributions, which enables NSC to gain a

greater understanding of the value of bidders' commitments and to evaluate social value tender responses quantitatively as well as qualitatively.

For the Kewstoke School works commission, the project team are proposing to use Social Value Portal to undertake both the evaluation of the social value responses and ongoing contract management of the social value commitments provided by the appointed supplier. This service will cost 0.20% of the contract value, equating to £2,800, and will be paid by the winning bidder direct to the Social Value Portal.

Evaluation

The evaluation methodology for the Open Tender will ensure pre-qualification checks are carried out on all pertinent elements, such as Health & Safety, Equality & Diversity etc. The quality questions will test the bidders' approaches to meeting the quality criteria

Weightings will be as follows:

Price	65%
Quality	25%
Social Value	10%

These weightings were chosen due to the clear need, echoed throughout consultation, to drive good value for money through this project. The inclusion of technical quality questions and minimum quality scores allow us to maintain a high minimum quality standard whilst prioritising price.

Price and quality assessment will be scored as follows:

Price: Price will have a weighted score of 65% and will be based on the submission of a pricing schedule. Price will be calculated using a fixed price lump sum model, which asks suppliers to price the project and provide a breakdown of these costs, including labour, materials, overheads, preliminaries, trade staff and site supervision costs, with an allowance for inflationary increases, as is required within this market at the moment. The lowest total price will receive the maximum score of 100% and the prices of all other tenders will be expressed as a percentage of the maximum score

Quality: Quality will be assessed against the project outputs, behaviours and project management including assessment on the following topics:

1. Project delivery approach and management
2. Lead Officer and Key Staff CVs
3. Programme of key milestones to deliver the project
4. Risks and Mitigations
5. Environmental Impact and Mitigations

There will be subcriteria to test bidders' ability to meet some of the Lessons Learned issues we have encountered on other council projects (see below).

Quality will have a weighted score of 25% and will be evaluated in accordance with the following scoring guidelines:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

We will apply a minimum score for all quality questions to disincentivise poor quality, cheap bids.

The evaluation panel will be as follows:

- Head of Strategic Planning and Governance (or nominated person)
- Senior Project Manager
- Senior Building Surveyor.

It will be moderated by a member of the Strategic Procurement Team.

Lesson Learned

There are lessons to be learned from previous projects which centre around strong contract management, and we have considered ways to mitigate potential risks, these are as follows:

- The Terms and Conditions need to be comprehensive and include all the key elements expected on a project of this type. This includes ensuring that the contractor is not only considered to be responsible for any site damage, but also that it technically can be found to be legally liable for the damage caused by its negligence. A failure to ensure this can result in complex and costly repairs impacting on Council budgets. For Kewstoke Primary School, the terms and conditions must be sufficiently robust to ensure that the contractor is responsible for securing the whole site and will be liable for costs incurred in failing in their duty to do so. Insurance limits must also be set appropriately. The team is liaising with the Insurance & Risk Manager to ensure all risks are mitigated as far as is possible.
- Agreeing a clear logistics plan with all stakeholders prior to commencement will be essential. This is to ensure that all stakeholders understand the scope and delivery plans for the project and that risk assessments and mitigations can be put in place as required.
- It is best to undertake invasive works during the summer months when pupils and staff are not on site, and this must be prioritised. Starting on site as soon as the school holidays commence must be recorded as a key milestone within the programme.
- A communication plan must be produced and have buy-in from all stakeholders. It is suggested that a weekly progress update is communicated to the Head teacher and nominated stakeholders, as required, alongside regular Board meetings to manage progress and oversee any changes from the delivery plans. In the case of a business continuity event happening, the business continuity plan should be referred to alongside the communication plan.
- NSC Health and Safety are engaged on the selection of suppliers and the tender evaluation model.

4. Consultation

All necessary stakeholders of the school have been consulted about the scope of works to upgrade site. If approved, wider consultations will be undertaken with staff, pupils, neighbours and community stakeholders as part of the planning application determinations as required.

The chair of the Partnerships, Corporate Organisation and Overview Management Policy and Scrutiny Panel (PCOM) has been initially briefed about the scheme.

The PCOM Working Group met on 6 September 2022. Members of the Children and Young People's Services Policy and Scrutiny Panel were also invited to attend. There was a follow up session on 17 October 2022 to brief councillors of the ongoing strategy and rationale for the project. The Panel's questions were concentrated around school place provision.

Those present understood the pressures on school buildings but also highlighted the pressures on the council's capital and revenue resources, especially as a significant element of the costs of these works would be met from capital borrowing. The Working Group, when balancing the significant economic pressures on the council against the benefits of ensuring local schools places remain available, also noted that the council would have a statutory obligation to provide free Home to School Transport to those who may not be able to attend a school within the statutory distance from their home. The council's commitment to supporting village communities was discussed, as was the Government's intention for all schools to move away from council control. Members were supportive of ensuring that the residents of North Somerset have access to good local schools, but mindful of the significant costs to enable this to happen.

Consultation was carried out with professional services already in place with experience of this market, this assured us that there is a sufficient pool of suppliers delivering similar contracts in the market, further checks were carried out internally to ensure such suppliers look appropriate for our requirements.

5. Financial Implications

Schools and those responsible for school buildings are eligible for either a School Condition Allocation (SCA) or Condition Improvement Fund (CIF) grant.

North Somerset is, as of 1 April 2022, responsible for nine maintained schools across ten buildings. To assist with the maintenance of these sites it has been allocated, based on a formula, £355,250 of SCA in 2022/23. This is a reduced amount from the 2021/22 allocation of £376,356. As each school converts to academy status, the SCA allocation is reduced the following financial year.

The current allocation includes a funding protection element as a transitional protection. The DfE intends to further reduce the level of protection offered by 25% points per annum until 2025-26, when no protection will remain. The exact methodology for calculating SCA in future years is yet to be confirmed.

Details of the conditions of grant can be found at [Condition funding methodology 2022 to 2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

The backlog of maintenance needs across the school estate is estimated to be in the region of £6.1m over 5 years. This selection of Kewstoke Primary School has been influenced by the outcomes of the surveys when all the school buildings were compared and has been arrived at from an informed position. Once the repairs and improvements are made, these should make the site suitable for learning for a considerable time to come.

Costs

The estimated construction value of this scheme is £1.4m, with a total project budget of £1.75m (to include professional and all other associated fees).

Funding

At its meeting on 2 February 2022, Council approved borrowing for this school site for its roof and other necessary upgrades as part of a £3.445m allocation to cover the maintenance needs of school sites – see [Committee Report NSC \(moderngov.co.uk\)](#) Appendix 2, table 2.1. Please note £1.5m has already been slipped to 23/24 for this allocation.

As indicated above, Kewstoke Primary School is one of nine schools across ten sites for which the repairs and maintenance of the buildings falls to the Council. Assessed against the remaining 5 sites, Kewstoke Primary School is deemed to have the greatest need for urgent works that, if not undertaken, could put part of the site's use in risk of closure.

Maintained schools are part of the Council's capital estate and funding has been secured as above. Agreement to undertake this work could be made to facilitate a future academy transfer. Our Corporate Plan speaks of 'Partnerships which enhance skills, learning and employment opportunities' and 'Collaborating with Partners to deliver the best outcomes'. Making a decision to progress with the enhancements at Kewstoke Primary School supports the village of Kewstoke and potentially prepares the school for a future transfer to become an academy if that is the school's wish. Once a transfer takes place the academy trust would become responsible for future maintenance needs, thereby releasing the Council from any future liabilities.

The DfE provides School Condition Allocations to assist with the cost of maintaining Council-owned schools. Other than Council funding, there are no further grants available. Basic Need and developer contributions should be used to create new places and not to replicate existing provision.

6. Legal Powers and Implications

The contract value is below the Public Contract Regulations 2015 Works threshold, however, the procurement will follow best practice and be in line the Council's Contract Standing Orders.

The JCT Intermediate Form of Building Contract will be used incorporating clauses to protect the council (see Lessons Learned above).

The procurement process will be compliant with the Public Services (Social Value) Act 2012 by ensuring it seeks additional social value during the tender process.

7. Climate Change and Environmental Implications

The design will be developed with reference to the Council's policies on climate change and with consideration of the environmental implications.

Upgrading the roof and supporting accommodation changes will enable this old building to benefit from greater insulation and better building efficiency.

The works on the school building will result in year on year savings in the amount of energy used achieved through the use of modern building materials and the introduction of higher levels of insulation that meets current standards. In addition, buildings of single skin construction will be replaced by modern insulated cavity wall construction and areas of the school that are currently being heated without regulation will have control measures introduced which will greatly reduce their cost in use. Specific figures around carbon impact of the works are not available at this time, as carbon surveys have not been undertaken on the school site to provide a baseline.

A Climate Emergency Risk Assessment has been produced to identify any environmental risks or opportunities. The outcome of this was that both the specification and quality section will be adjusted to reflect the requirement for minimal environmental impact through this project. Suppliers will be asked how they will mitigate negative and enable positive environmental impacts throughout the project and the specification will address the disposal of waste and the potential for rainwater harvesting facilities.

8. Risk Management

The surveys of this site show that the roof of the main school building needs repair. A failure to maintain this structure could lead to significant leaks and the necessary closure of this building. There are also health and safety risks if the building is not maintained.

Prior to the commencement of the works, a detailed risk register will be drafted, and any corrective measures will be managed through risk assessments and safe methods of working.

In the case of a business continuity event happening the business continuity plan should be referred to, alongside the communication plan for the project.

The appointed supplier will develop and maintain the project risk register. Initial risks and mitigations are provided below.

Insufficient interest from contractors.	Soft market testing will be carried out with suppliers prior to procurement in order to gauge their appetite for bidding and stimulate interest in the opportunity.
An unmanageable number of bids are received due to it being an open tender.	External Professional advice has been sought and indications are that the market at that time of year is unlikely to return an overwhelming response. Coupled with the location and orientation of the site, the works will appeal to a limited market
Bid costs are higher than anticipated.	Specialist consultant advice was used to estimate the correct budget for the funding application. There will a requirement to move to contract without delay to ensure some certainty with the price. In the event of a tender being received which exceeds the budget, a validation exercise will be undertaken, with a view to engineering the scheme to within budget

9. Equality Implications

Have you undertaken an Equality Impact Assessment? Yes

The EIA did not highlight any risks to particular groups and overall has a positive impact.

10. Corporate Implications

The provision of the building improvements demonstrated in this report will support the Council's corporate plan objectives to improve Prosperity and Opportunity, Health and Well-being and Quality Place.

11. Options Considered

A variety of framework options were considered, including the Crown Commercial Services Construction Works and Associated Services. Many of the frameworks were deemed to not hold a suitable number of recognised local suppliers. Whilst the CCS framework initially looked promising from a supplier perspective, the restrictions around tender weightings did not allow for price to be weighted as highly as it needed to be, therefore this option is not the preference and an open tender proposed instead.

The Council submitted a Priority School Buildings bid to the DfE in March 2022, seeking funding to support the replacement of the demountable buildings on this site. This bid is in progress. The DfE visited the school site in August 2022 as part of their assessment process. The outcome and delivery programme for successful bids is unknown and cannot be relied upon for success. The Council is bidding for support alongside significant numbers of other schools and Local Authorities across England

The Council could decide not to undertake the scheme and risk the closure of parts or all of the school site. The Council could also decide to postpone any improvements to the school, allowing a new academy trust to take over these responsibilities on conversion. Many of the schools who have had their sites upgraded by the Council recently have converted to academy status soon after their upgrade. The DfE have recently stated that Council's must 'treat schools considering conversion fairly, including by investing in high-priority condition issues and honouring any commitments of capital funding that they have made. On conversion, at a minimum, schools should be in a safe condition with no health and safety or regulatory compliance issues. In some cases, both in North Somerset and nationally, the condition of a school's buildings has been a barrier to a school being accepted into a Multi-Academy Trust (MAT). Currently the works required at Kewstoke Primary School could make it less attractive to a MAT if left undelivered.

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Appendices:

Climate Emergency Risk Register- Kewstoke

Background Papers:

Equality Impact Assessment (Stage 1) Kewstoke

Feb 22 Council paper for the Schools Capital Maintenance addition (link within report)