

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1990

Author:

Sarah White

Department:

Development

Contact:

Sarah White

(Job Title: Project Manager, Email: sarah.white1@nottinghamcity.gov.uk, Phone: 01158763410)

Subject:

Approvals related to design works, legal procurement and surveys to develop Bluecoat Primary School

Total Value:

£400,000 (Type: Capital)

Decision Being Taken:

- 1) To spend £400,000 in design team and survey costs to progress the scheme at Bluecoat Primary School to planning application stage.**
- 2) To enter into two contracts; a professional services and short contract with Wates construction to develop the scheme.**
- 3) To procure a legal advisor to prepare documentation in relation to the project and advise on any risks to the Council.**

Reasons for the Decision(s) Nottingham City is experiencing pressure on places in primary schools across the City, particularly in Bilborough. Nottingham City Council has agreed in principle to fund the expansion of Bluecoat Academy to become an all through school by creating a new 420 place primary school with a nursery on the site fo the former Shepherd School adjacent to the Bluecoat Beechdale site. Funding for this expansion has been set aside in the capital programme but is yet to be approved by Executive Board.

In June 2014, £50,000 was approved to allow a feasibility study to be undertaken to establish whether the project should be taken forward. This work is now complete. The feasibility indicates that a number of scope limitations and risks will need to be taken into account in order for the project to be delivered within budget. This places the Council in a positon of financial risk as it is currently unclear whether the project can be delivered within the proposed budget. It is recommended that the scheme be developed further and that surveys be undertaken to ascertain whether these risks will be realised and whether the scope limitations will allow the school curriculum to be delivered. This will give a robust view in relation to risk and budget position before asking for approval for the scheme budget. The cost of developing the project to this stage is £400,000, including all fees and surveys. This forms part of the overall cost of the project budget and is work that must be undertaken to deliver the project.

This report also asks for approval to enter into two contracts with Wates construction to deliver the design and survey works using the East Midland Property Alliance (EMPA) framework managed by Scape. The NEC professional services contract and NEC short contract will enable the design and survey works to be undertaken using the appropriate procurement mechanisms.

In addition, as the site of the former Shepherd School is currently owned by the City Council, a lease arrangement and other documentation must be prepared. The City Council has a legal framework to appoint legal advisors where internal resources do not have the capacity to provide the appropriate advice. Having consulted with the legal team, it has been agreed that it is appropriate to use the framework in this instance. The legal fees will be included as part of the project costs.

Other Options Considered: Do not approve the allocation of £400,000 in funding to develop the project before a report is presented to Executive Board. This option was rejected, as we would not be able to anticipate any cost increases due to the risks associated with this project that have not been fully investigated or mitigated.

Background Papers: None.

Published Works: Exempt Portfolio Holder Decision 1709, "Allocation of £500k of the funding identified for Bluecoat Primary", 30 October 2014.

Affected Wards: Bilborough

Colleague / Councillor Interests: None.

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no implications on crime and disorder.

Equality:

EIA not required. Reasons: An EIA was completed for an earlier approval and this decision does not change that assessment.

Social Value Considerations:

Not applicable.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

21/05/2015

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The Legal Services Team has agreed with the report author that the most effective arrangement to support the project is for assistance with the pre-construction and professional services contracts to be provided by its in-house legal resource and for the property aspects (the agreement for lease/lease to the Academy to ensure the Academy is contracted to take over the school building) to be undertaken by external legal advisers. The external legal advisers have expertise and experience of working with the City in the preparation of Academy leases and this split working arrangement has operated successfully before.

It is understood the decision to proceed with the scheme is subject to a full business case and executive approval.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 22/04/2015.

Finance Advice:

The development of Bluecoat Primary School is part of the Primary Schools Reorganisation project which was identified as part of the Investment Strategy. £4.3m was approved in October 2014 (pending Business Case) for this development and included in the capital programme as a "Project in Development".

This report seeks formal approval of £0.400m for design and survey costs and as a result £0.400m will be moved from "projects in development" to the fully approved programme.

The remaining £3.9m will remain in "projects in development" until a business case is completed and formal approval is granted by Executive Board.

It has been agreed that the total cost of the Primary Schools Reorganisation (PSR) will be funded from actual and future indicative basic needs grant, any increase in costs associated with this or any other scheme within PSR will need to be funded whilst remaining within this existing funding envelope.

Advice provided by Tina Adams (Capital and taxation Manager) on 10/04/2015.

Bluecoat Academy lowered the age range of the pupils admitted by the Academy when it opened Bluecoat Primary in January 2015. As a consequence of this, a request to vary the pupil numbers for the additional pupils that will be admitted each academic year from September 2015 to September 2020 was submitted to the Department of Education and approved. This will result in the funding required by Bluecoat Academy for the running of the new primary being allocated from the Dedicated Schools Grant through the local funding formula approved by Schools Forum.

As outlined previously in this report the survey and design costs associated with progressing of the Bluecoat Primary Scheme to the next stage have been funded from the Basic Need Grant. If the building of the new school were to go ahead the on-going maintenance costs of the new building would have to be met from the schools budget.

This proposal demonstrates value for money as indicated in the Procurement advice below. It will also establish the risks faced by the Council in progressing the building of the new primary and nursery school.

Advice provided by Julia Elizabeth Holmes (Finance Analyst) on 13/04/2015.

Procurement Advice:

The EMPAii Regional Intermediate Framework provides both a compliant and value for money route to market. Therefore there are no significant concerns with the recommendations set out in the report.

Advice provided by Sue Oliver (Category Manager - Procurement) on 17/04/2015.

Signatures

Jon Collins (Leader & PH Strategic Regeneration & Schools)
SIGNED and Dated: 13/05/2015
Alison Michalska (Corporate Director for Children and Adults)
SIGNED and Dated: 01/05/2015