

**Cabinet**

**16 November 2011**

**North Durham Academy Contract Award**



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## **Report of Corporate Management Team**

**David Williams, Corporate Director, Children and Young People's Services**

**Councillor Claire Vasey, Cabinet Portfolio Holder for Children and Young People's Services**

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### **Purpose of the Report**

1. The purpose of this report is to advise Cabinet that all contracts for the design and build of the North Durham Academy (NDA), including all ICT contracts (the NDA Contracts) have been awarded to and completed with Durham County Council's (the Council's) Local Education Partner (the LEP) on 15 September 2011.

### **Background**

2. Due to the demands of Durham's Building Schools for the Future (BSF) Programme for NDA, the NDA Contracts had to be awarded and completed in early September. It was not possible to obtain Cabinet's approval to award and complete the NDA Contracts prior to the required September completion date. To meet the required completion date, the decision to award and complete the NDA Contracts was made by the Corporate Director, Children and Young People's Services, (in consultation with the Cabinet Portfolio Member for Children and Young People's Services), using a general emergency power delegated to him under the Council's Constitution, set out in Part 3 C, Table 1, paragraph 12.
3. There is a requirement under the Council's Constitution that any action taken using this delegated emergency power must be reported to a subsequent Cabinet meeting. This report satisfies that requirement.
4. As previously approved by Cabinet (22 June 2006, Durham's BSF Programme is being delivered through the LEP. The LEP is a special purpose company consisting of three shareholders: Inspiredspaces Durham Limited (Inspiredspaces), the private sector partner with an 80% shareholding, and the Council and International Public Partnerships (INPP) each with a 10% shareholding in the LEP. INPP recently acquired the Government's shareholdings in Durham's and other LEPs' BSF Programmes.

- 5 The Council awarded the framework and initial contracts for the BSF Programme in August 2009 to the LEP.
- 6 The LEP's framework contract (the Framework Contract) runs for a period of 10 years with opportunities to extend this period if both the Council and Inspiredspaces agree to an extension. Under the Framework Contract, the LEP is granted exclusivity to carry out all design, construction and ICT works to the Council's secondary schools, with a more flexible approach being taken to facilities management services. These new projects are developed through collaboration and negotiation, using national and local benchmarking to control quality, cost and value (New Project Development Process. The LEP is also required to market test its supply chain after 5 years to ensure this remains competitive.
- 7 Nine schools are being/have been delivered through BSF funding as part of Wave 3. NDA and Consett Academy were given authority to proceed by the Department for Education (the DfE) in 2010/11. The DfE agreed that the funding for NDA would be at the level agreed in the Outline Business Case approved by Cabinet on 03 March 2011 and by the then DCSF on 01 April 2010.

### **Development of North Durham Academy**

- 8 NDA came into existence on 1 September 2011. It will operate from its existing sites until July 2013 when the new building on the Kings Head site in Stanley is completed and handed over to the Council and the Academy Trust ready for the start of the 2013/2014 academic year. The Council will then lease the new building to the Academy Trust for a period of 125 years.

### **Development of New Projects**

- 9 The New Project Development Process was described in the Cabinet report for St Bede's RC Comprehensive in July 2010 and is the process that has been followed for NDA.
- 10 A detailed planning application was submitted for NDA in May 2011 following community consultations in the local area and the approval was granted on 12 July 2011. The design for NDA has been developed with the full involvement of the Academy Sponsor - New College Durham, and with representatives of the Council as co-sponsor. Officers from within the Council and the BSF external advisors have been key to ensuring value for money is achieved.
- 11 The New Project Development Process was concluded by submitting a Final Business Case (FBC) to Partnerships for Schools (PfS), which was approved on 9 September 2011.
- 12 The funding for NDA was then released, which allowed the Council and the LEP to enter into the NDA Contracts on 15 September 2011.

## North Durham Academy Design

- 13 NDA is designed for a capacity of 1500 11-16 pupil places plus 200 post 16 places. There is an additional provision for up to 25 students in a Language Resource Base.
- 14 The scheme is a new build on the Kings Head site in Stanley. The accommodation is arranged over 4 floors with faculty wings providing year bases for pupils as well as general and specialist teaching accommodation. The PE accommodation is located to the west of the site to enable easy access for community use along with an external floodlit artificial turf pitch and other external hard play and grass pitches.
- 15 The premises will reflect the ethos of the sponsor and co-sponsor for inclusion, progression and excellence with an emphasis on demonstrating the world of work. The building will not only have modern teaching spaces with flexibility and adaptability built in, but also practical work spaces for hair and beauty and a motor vehicle workshop to enable specialist vocational subjects to be taught on site in tailor made environments. These, together with the post 16 provision, will facilitate a breadth of curriculum offer to young people in the Stanley area currently not available in their locality.
- 16 The key objectives from NDA's vision that the LEP were required to address included the following:
  - Ensuring the design supports the founding core principles of inclusion, progression and excellence by providing a variety of flexible and specialist learning spaces that can cater for students of all abilities and backgrounds, supporting and inspiring them to make the most of their abilities and aspirations.
  - Demonstrating the specialism of business and enterprise with an emphasis on providing learning environments which reflect the world of work.
  - Create a central focus or 'heart' for NDA that can be used flexibly as a social space, ICT rich media space, exhibition and dining area which can also be used by the community out of hours.
  - Offer a small school environment within a large academy, including dedicated social spaces.
  - Provide a core of post 16 accommodation with its own identity, connected to specialist accommodation in other areas of NDA.
  - Provide a vibrant resource for the communities served by the NDA.
  - Incorporate environmental and sustainability features.

- 17 The LEP has worked closely with the Academy sponsor and Principal Designate during a series of engagements to ensure that their proposed designs met these objectives. Development of the floor plans, elevations and a site plan for the new school have been progressively monitored by the BSF Project Board, and can be accessed by members by request to the BSF Team. In addition the planning drawings are available on the Council's planning portal.
- 18 The NDA project is being delivered as single phase on a remote site from the existing schools thereby removing any risk of disruption to pupils during the build period. The completion date is programmed for the beginning of July 2013 to allow decant from existing building prior to and at the start of the summer holidays 2013 to enable the NDA to open its doors for the start of the autumn term September 2013.

## **ICT**

- 19 An update on the proposal for the delivery of a new ICT system and associated managed service to schools was included in the report to Cabinet dated 19 January 2011.
- 20 Subsequently, PFS has relaxed its requirement for schools to buy into a managed service and it is the intention of the Academy Trust to manage the ICT service. This has required the Academy Trust to confirm its commitment to maintain the system so that it continues to meet its intended level of performance through the BSF investment. This includes refresh of equipment, components and software.
- 21 The ICT contract and schedules were also signed on 15 September 2011 to align with the building contract award.
- 22 The ICT contract included the ability to vary the NDA ICT solution following the introduction of Consett to the same Academy Trust. The BSF team is reviewing the ICT solution against the inclusion of Consett Academy and will report back to the Trust board on this.

## **Facilities Management Services (FM)**

- 23 Under the terms of the lease agreement, the Academy Trust will take full responsibility FM Services including maintenance caretaking and cleaning for the full period of the lease.
- 24 The Academy Trust will be free to choose how they procure these services but again, the commitment to maintain the building to particular standards was a requirement of the release of funding.

## **Project Costs and Value for Money**

- 25 PFS has made available £32,979m for this project. Costings have shown that the Academy can be built, and its ICT provided, within this sum.

- 25 Our Technical Advisors undertook a thorough review of the detailed costing information which included a check on both the quantities and rates used to arrive at the overall price for the project.

### **Contractual Arrangements**

- 26 The NDA Contracts were awarded to the LEP for the design and build of NDA and the ICT systems.
- 27 The NDA Contracts are in the 'standard form' developed by PfS specifically for the BSF market, with amendments introduced to suit the specifics of Durham's BSF Programme.
- 28 The NDA Contracts were carefully reviewed by our internal solicitor with support from our external legal advisers, Dickinson Dees and signed off by PfS.

### **Programme**

- 29 The key dates for delivery of the NDA project are as follows:

Works commenced on site	19/09/11
Ground breaking ceremony held	20/09/11
Building ready for decant	01/07/13
Formal handover	16/07/13

There will be deferred planting to the landscaping required as this work is seasonal which is intended to be complete by end December 2013.

### **Risks**

- 30 The risks of proceeding/not proceeding with this contract award have been considered and are detailed in Appendix 2.

### **Recommendations**

- 31 Cabinet is requested to note the contents of this report and endorse the decision to enter into the NDA Contracts for the delivery of the NDA project with the LEP.

### **Background Papers**

- (i) Building Schools for the Future: Outline Business Case Report dated 22 February 2007.
- (ii) BSF wave 6 OBC report dated 03 March 2010.

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## **Appendix 1: Implications**

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**Finance** – The contracts for the Academy are fully funded by the Government. DCC project support costs are included in the updated BSF support budget.

**Staffing** - Staff have been appointed to the academy under new and TUPE arrangements.

**Risk** - The risks associated with awarding the contract are attached in Appendix 2.

**Equality and Diversity / Public Sector Equality Duty** - Inspiredspaces has confirmed that they comply with DCC's requirements in relation to Equality and Diversity and have provided a copy of their Equal Opportunities and Diversity Policy.

**Accommodation** - None

**Crime and Disorder** - Secured by Design is the UK Police flagship initiative supporting the principles of "**designing out crime**" by use of effective crime prevention and security standards. This initiative has been incorporated into the designs of all of the new schools.

**Human Rights** - None

**Consultation** – There has been extensive consultation during the design development process. Presentations to the AAP have been made as well as public consultations during the planning process. The academy staff themselves have been key consultees during the detailed design of the building.

**Procurement** - The LEP was procured through OJEU and competitive dialogue and as such, has exclusivity rights to all secondary school capital projects as well as opportunities to deliver other council capital projects.

**Disability Issues** – North Durham Academy will be fully inclusive and will be DDA compliant with access to all parts of the building and its playing fields.

**Legal Implications** - None