

Cabinet 27 October 2021	 TOWER HAMLETS
Report of: Ann Sutcliffe, Corporate Director of Place James Thomas, Corporate Director of Children's Services and Culture	Classification: Unrestricted
George Green School: Procurement of works and services	

Lead Member	Councillor Asma Begum, Deputy Mayor and Cabinet Member for Children, Youth Services, Education and Equalities
Originating Officer(s)	Jane Abraham, Interim Head of Capital Delivery
Wards affected	All
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	7 October 2021 – General Exception Notice
Strategic Plan Priority / Outcome	1. People are aspirational, independent and have equal access to opportunities; 2. A borough that our residents are proud of and love to live in; 3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

Executive Summary

The purpose of this report is to seek approval to progress the proposals for the redevelopment of George Green School. George Green School is an existing 7FE school in the south of Isle of Dogs, which no longer meets the requirements of a modern secondary school. The council has made a commitment to provide a replacement fit-for-purpose school for George Green on its existing site and approved a capital budget allocation of £51.400m to do this.

In accordance with the council's Financial Regulations and Procurement Rules, approval is required to enable a multi-disciplinary team, including an architect to develop design proposals and provide such services as required to planning submission in April 2022 and beyond RIBA Stage 3 to include procurement, construction and handover phases. This report seeks approval for this appointment.

In addition, to enable the development to proceed at pace, subject to planning

consent being achieved, this report also seeks approval to appoint an Employers Agent (from RIBA Stage 3) and a contractor to undertake the phased development and construction of the new school, within the approved budget envelope.

Recommendations:

The Cabinet is recommended to:

1. Authorise the procurement of an architect and multi-disciplinary design team to take the design and construction through to completion and the inclusion of this contract on the Contracts Forward Plan
2. Authorise the procurement of an Employer's Agent to take the construction through to completion
3. Authorise the procurement of a construction contractor to undertake the construction work
4. Note the budget approval of £51.400m for the development of George Green School and the funding sources identified and allocated for this purpose.
5. Authorise the Corporate Director place to award the contracts referred to above in consultation with the Corporate Director of Resources, subject to approval through the capital governance process and tenders being within the approved capital estimate
6. Authorise the Corporate Director Place to enter into any agreements relating to and facilitating the above arrangements such as collateral warranties, novation agreements in order to protect the Council's interests.
7. Note the Equalities Impact Assessment as set out in Paragraph 4.1.

1 REASONS FOR THE DECISIONS

- 1.1 The council's Financial Regulations and Procurement Rules require Cabinet approval for the appointment of services over £0.250m and works over £5.000m. The appointment of the architect and multi-disciplinary design team to develop the design to planning submission stage is expected to cost in excess of £0.250m and the works contract will significantly exceed £5.000m.

2 ALTERNATIVE OPTIONS

- 2.1 The Q4 Contracts Forward Plan is due to be presented to Cabinet early next year. Without an earlier approval, the procurement of a design team to submit a planning application by April 2022 will be delayed and it will not be possible to deliver a replacement scheme by the target date of September 2024.

3 DETAILS OF THE REPORT

- 3.1 George Green School is an existing 7FE school in the south of Isle of Dogs, which is no longer meets the requirements of a modern secondary school.
- 3.2 At Cabinet in September 2020, the council confirmed its commitment to deliver a new school for George Green on its existing site. Based on a brief developed in partnership with the school, a feasibility study has now been carried out, including a concept design, logistics plan and more accurate cost estimate. This report was funded by CIL set aside for feasibility studies.
- 3.3 In January 2021, a budget allocation of £51.400m was approved. Funding sources for the total budget were identified as a combination of grant funding (£1.714m), funding from s106 (£5.779m) and CIL (£4.456m) and borrowing (£39.451m). Once capital receipts, ringfenced from the disposal of education assets that are surplus to requirement, have been received, they will be used to reduce or replace borrowing. Only the cost of borrowing relating to 2022-23 have currently been taken into account within the MTFs, amounting to £0.2m. The total revenue impacts, including the cost of borrowing, associated with George Green School project is anticipated to rise to £1.7m annually by 2025-26.
- 3.4 The scheme is still at the early design stage and the funding profile will be reviewed as part of the budget setting process.
- 3.5 In March 2021, an architect was appointed to prepare a feasibility study to explore redevelopment and refurbishment options for a new school, alongside potential for other uses which could potentially provide cross-subsidy to contribute towards the cost of the project. This was completed in September 2021. In partnership with the school, it was agreed that the best option in terms of quality, cost and programme was the option to rebuild, using a phased approach to enable the school to continue to operate on the site throughout the build programme. The concept design has been subject to pre-app advice and the feedback will be taken into account as the design is refined.
- 3.6 The estimated development cost of this option, excluding project management costs and contingency, is £48.890m. Once the design has been developed ready for a planning submission, the initial cost estimate will be reviewed and a request for an increase in the budget allocation may be made at that time.
- 3.7 In order to appoint an architect and multi-disciplinary design team, including technical advisors, to progress the concept design and complete the surveys and technical documentation required to support a planning application, approval is required for go out to procurement for these services and to enter into a contract, which will be in excess of £0.250m. If the appointment is made in November 2021, the planning application can be expected by end of March 2022.
- 3.8 The indicative project timetable is set out below:

Title	Target Delivery Date
Concept design completed	September 2021
Procure architect and multi-disciplinary design team	November 2021
Planning submission	April 2022
Appoint Employers Agent	April 2022
Procure contractor	tbc
Appoint contractor	tbc
Start on site	tbc
Complete scheme	May 2024
School access	June 2024
New school open for students	September 2024

4 EQUALITIES IMPLICATIONS

- 4.1 An Equality Impact Assessment has been undertaken as part of the Capital Governance approval process.
- 4.2 The Council's Capital Governance approval process prevents any proposal which amounts to discrimination from being implemented and any project that is likely to lead to differential impact is varied to mitigate the differential impact.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.

5.2 Crime Reduction

Under Section 17 of the Crime and Disorder Act 1998, the Council is under a legal duty when exercising its various functions to have due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area, including anti-social behaviour adversely affecting the local environment and the quality of life of residents, the misuse of drugs, alcohol and other substances and re-

offending. This will be taken into account in the design development for the replacement school.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The existing council approved capital programme includes a budget allocation of £51.400m for George Green school. This is financed through grants (1.714m), S106 and CIL contributions (£10.235m) with the remaining balance to be financed from borrowing (£39.451m).
- 6.2 The estimated cost of borrowing for 2022-23 of £0.2m and any future additional borrowing costs from 2023-24 onwards, estimated to rise to £1.7m by 2025-26, will need to be factored into the councils MTFS.
- 6.3 Any other revenue costs arising from this scheme will need to be funded from the Dedicated Schools Grant (DSG).
- 6.4 As part of the 2022-23 to 2024-25 capital budget setting process, the George Green School capital programme budget will be reviewed and profiled over the next 3-year budget setting period.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Council has the legal power to undertake the activities referred to in this report.
- 7.2 The Council retains the legal duty to ensure there are sufficient numbers of appropriate school places in the borough for students who require them.
- 7.3 The Council has a statutory duty to achieve Best Value in terms of economy efficiency and effectiveness when delivering its functions. The feasibility study demonstrates that in terms of Best Value the approach recommended in this report represents Best Value.
- 7.4 The contracts will be awarded following competitive exercises which meet the Council's procurement law duties. The winning bidders will be the most economically advantageous tenderers when measured against pre-advertised evaluation criteria representing an appropriate blend of quality and price. This will also assist the Council to demonstrate compliance with the Best Value Duty along with the associated contract management

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

NONE

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

NONE

Officer contact details for documents:

N/A