

For General Release

REPORT TO:	Cabinet Member for Children, Young People and Learning
AGENDA ITEM:	Background paper to Item 14.1 Cabinet 13 July 2015
SUBJECT:	Canterbury Mills West Thornton Academy Annexe - Demolition and Enabling Package
LEAD OFFICER:	Jo Negrini Executive Director for Place Paul Greenhalgh Executive Director for People
CABINET MEMBER:	Cllr Flemming, Cabinet Member for Children, Young People and Learning <i>and,</i> Cllr Hall, Cabinet Member for Finance and Treasury
WARDS:	<i>Broad Green</i>
CORPORATE PRIORITY/POLICY CONTEXT The Capital Delivery Hub (CDH) Education Team has a remit to deliver the 2015 Primary Schools Expansion Programme to increase the school places capacity on behalf of the People department. The programme will deliver new school facilities to satisfy the growing permanent capacity requirements by providing new primary schools, new build expansions at existing schools and the refurbishment & improvements to existing schools.	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS: The delivery of this project is critical in ensuring the Authority its able to meet its statutory requirement to provide pupil places to meet increasing demand and will support the Authority in meeting the Policy Objectives of: <ul style="list-style-type: none">• Achieving better outcomes for children and young people• Promoting economic growth and prosperity	
FINANCIAL IMPACT: This report outlines the proposal for a commitment to a maximum cost of £851,759.63 from a total budget allocation of £10,490,425.	
KEY DECISION REFERENCE NO: N/A This is not a Key Decision	

1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet Member for Children, Young People & Learners, in consultation with the Cabinet Member for Finance and Treasury the authority to make the decisions set out in the recommendation below

- 1.1 That approval is given to award a NEC Short Form contract for the demolition and enabling works at Canterbury Mills West Thornton Academy Annex to Mace Construction Limited at a contract value of £611,760 plus a £240,000

contingency making a maximum potential contract sum of £851,760.

2. EXECUTIVE SUMMARY

- 2.1 The Demolition and Enabling works (the works) would facilitate the early preparation works and would include service connections and a new electricity substation, for the proposed new '2 form of entry' (2FE) Primary school (the new school) which is intended to be an Annex to the existing West Thornton Primary Academy located on Rosecourt Road.
- 2.2 Planning approval for the demolition of the existing buildings has been granted. The main works development will be subject to a separate contract Award report on receipt of Planning Permission to build the new school.
- 2.3 Once demolition has been completed the obligations to manage and insure the site will revert back to the responsibility of London Borough of Croydon.
- 2.4 Mace was awarded the contract for the pre-construction services contract for the design development and tendering of sub-contract packages of work for the site known as Canterbury Mills under the iESE Major Construction Framework Agreement (the iESE Framework) via a mini competition. The contract award was agreed on the recommendation of the Corporate Services Committee meeting held 26 February 2014 (Minute Ref: A47/14).
- 2.5 Mace has tendered for the works associated with delivering the demolition and enabling requirements via an open book process allowing the Council and its cost consultants to review subcontractor submissions and determine value for money has been achieved.
- 2.6 To reduce the risk of delays to the main development it is proposed that the works are carried out early under an NEC Short Form Contract.
- 2.7 The works include the demolition of the existing industrial/office building currently occupying the site, grubbing up of foundations and temporary propping of the party wall structure to the eastern boundary. These works will also include installation of new service connections and electricity substation which is to be located on Canterbury Road Recreation Ground.
- 2.8 The Detail section of this report sets out the background to the project, the procurement strategy in the context of the wider 2014/15 Programme and details of the call-off contract process under the iESE Framework to ensure that the required procedures have been followed to secure the best quality and cost for the delivery of the works.
- 2.9 Approval and award of this demolition and enabling works contract would allow Mace to clear the site to prepare for the main development works once Planning Permission has been approved.

CCB Approval Date	CCB ref. number
02/07/2015	CCB1021/15-16

3. DETAIL

- 3.1 The Canterbury Mills site, which is located at 103 Canterbury Road, was identified late 2013 as a potential site for the new school and approval to acquire the property was granted by the Corporate Services Committee (CSC) at the meeting held on 26th February 2014. The acquisition, in the sum of £925,000 was completed on 21st May 2014. The report recommending the approval noted that in order to provide enough space for the school some of the Local Open Land to the rear of the site known as Canterbury Road Recreation Ground would have to be used for soft play and the construction of sports hall facilities with the opportunity for shared use with the community, as follows:

“Area B will be largely retained as open space but will not be open to the general public and will form part of the school grounds. Part of the area will also be used for the construction of a school hall next to the existing changing rooms. It is proposed that this building would be available as an additional community facility outside of school hours with dual access being incorporated within the design”

- 3.2 The Council published notices to the public of the proposed restriction to the land at Canterbury Road Recreation Ground and no objections were received.
- 3.3 Planning Consent has been received for both demolition and the installation of a new electricity substation to supply the proposed new school's power requirements.
- 3.4 A planning pre-application for the main development has been submitted for review by the planning committee members in July 2015 ahead of submission of a full planning application in August 2015.
- 3.5 Target Basic Needs (TBN) funding in the sum of £4,296,795 has been secured to provide t the new school with an obligation to provide the first year's school places in the new permanent accommodation by September 2016.
- 3.6 The Council installed 'Property Guardians' through Guardians of London to safeguard the property from the threat of squatters' reoccupation during the site investigation and design period. This arrangement provides a small income to The Council . At the date of this report Property Guardians are still residing within the property. Guardians of London have asked for one month's notice to vacate prior to termination of utility services and demolition. If demolition is not approved the Guardians may stay in situ until they are given formal notice.

The existing building at Canterbury Mills shares a Party Wall with the accommodation for a car repair business known as Canterbury Autos. A Party Wall Award with the owners of this property and also with Wandle Housing Association, which owns the block of flats to the west boundary, will need to be in place before any work including demolition can commence.

PROCUREMENT APPROACH

- 3.7 Mace was awarded the Pre Contract Services Agreement contract for design work to the new West Thornton Academy annexe. This was made as part of a wider award for design work to Mace in respect of three schools. Mace has carried out an open-book tender for the demolition and enabling works.
- 3.8 To minimise risk to the main development and in order to ensure consistent liabilities in respect of the proposed main development, only Mace are considered suitable to carry out this work. No third-party contractors, who are not associated with Mace, have been approached to tender.
- 3.9 Following receipt of Planning Permission and subject to the contractor's proposals being affordable and acceptable the award for the construction works for the main development will be subject to further Cabinet approval.

Mace carried out an open book tender for the demolition and enabling works, of which Croydon's appointed, independent Cost Managers, Keegans and Partners, have had sight. LBC's independent Employers Agent, Mott MacDonald has checked all of the information provided and has issued a full Tender Report with recommendations.

	Demolition Sub-Contract Bidders		
	Cantillon	DSM Group	Keltbray
Bid Sum	429,017	301,208	No Return
Rank	2	1	

- 3.12 Mace has also put together an enabling package to be included within the NEC3 Short Form contract. Details are as follows:

Description	Cost	Notes
Demolition	308,738	Includes Mace tendered OHP
Enabling Package	303,022	
Contingency Sum	80,000	
Party Wall Contingency Sum	160,000	
Total	851,760	

It is recognised that the contingency sums contained above may seem large as a proportion of the overall Demolition & Works costs, however, Party Wall considerations are particularly complex and advice from the Council's cost consultants, in addition to LBC previous experience, recommends a contingency sum of £160,000 is set aside to cover matters which may arise.

4. CONSULTATION

- 4.1 A successful meeting has taken place with local key stakeholders including the adjoining owners to the eastern boundary who share a party wall structure with the existing building, and representatives from the Community Centre, Sure Start Centre and Library in December 2014. The meeting included a

presentation on the proposed plans to demolish the existing building and rebuild a new teaching block on the footprint, along with a small hall building (Block A) on Canterbury Road Recreation Ground. These were accepted by the local stakeholders. .

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Capital Budget available	9,201			
Expenditure				
Effect of decision from report	852			
Expenditure				
Remaining budget	8,349			

5.2 The effect of the decision

Approval to enter into the NEC Short Form contract with Mace for demolition and enabling works will commit £611,760 plus a potential £240,000 of contingency sums to give a maximum contract value of £851,760.

5.3 Risks

The Council's Town Planning and Place Making team pre-application advice has flagged up design and transport issues that the Mace design team are addressing through revised design solutions and enhanced transport and traffic assessments which will be reviewed by members of the planning committee at the July Planning Committee through a formal pre-application submission.

In the event that the full development does not gain Planning Permission the site will not be developed for education use within the required timescales and design fees expended will be abortive.

The early demolition and preparation works will require Party Wall Awards to be in place at an earlier stage of design development than is usual. This means that the Awards will be put in place ahead of full detailing by the subcontractors.

5.4 Options

The timescale to deliver the demolition and enabling works in order to construct the main development is extremely tight and therefore early demolition and enabling works are proposed.

In the event that the scheme does not gain Planning Permission LBC would have expended the above sum £851,760 without delivering the school and TBN funding would be lost. The following options could then be considered:

- Submit a revised Planning Application
- Disposal of the property with the benefit of an unencumbered site and mitigated Party Wall risks
- Development of the site by LBC for an alternative use.

5.5 Future savings/efficiencies

Allowing these works to go ahead now allows Mace to proceed with the current tendered prices without re-tendering in a rising market.

Approved by Dianne Ellender, Head of Finance and Deputy Section 151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

The Council Solicitor comments that the overall procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999

Approved by: Gabriel Macgregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 This report does not directly raise considerations of staffing levels, restructuring, TUPE implications, employee relations, the Council's personnel policies or other Human Resources matters and has therefore not sought approval from Human Resources.

8. EQUALITIES IMPACT

- 8.1 An Equality Analysis was undertaken to assess the impact the programme for delivering primary pupil places would have on protected groups compared to non-protected groups.

The analysis identified the strategy is designed to maintain and improve equal access to educational opportunity for protected groups. These are children from BME and Faith Groups who are more highly represented in areas of demand pressures for additional places. Also disproportionately affected are children with SEN, for whom the strategy delivers additional specialist facilities in both mainstream and SEN schools that are located within local communities.

9. ENVIRONMENTAL IMPACT

- 9.1 Mace will comply with the Considerate Constructors scheme as follows:

- Identifying, managing and promoting environmental issues.
- Seeking sustainable solutions, and minimising waste, the carbon footprint and resources.
- Minimising the impact of vibration, and air, light and noise pollution.
- Protecting the ecology, the landscape, wildlife, vegetation and water courses.

As a condition of contract Mace and their subcontractors will be required to dispose of asbestos and general waste off site in line with current Government legislation.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 Demolition of the existing building will reduce the risk of squatter occupation and other property crime.
- 10.2 Following completion of the works all services will be capped off and the boundaries of the former Canterbury Mills building will be hoarded to prevent trespass.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Mace has completed an open book tender exercise based on competitive quotes from their proposed sub-contractors for demolition and associated early preparation work. The proposals have been evaluated by the project’s Cost Consultants and Employer’s Agents and their reports confirm that given the timescales involved for delivery, this package offers value for money.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Consideration has been given to including the demolition within the main development contract on receipt of Planning Permission. However, programme and TBN funding constraints have led to the decision to seek Cabinet Member approval to enter into an early contract ahead of Planning Permission for the main development.
- 12.2 If an alternative location could be found for the new school it may be possible to dispose of this site on the Open Market (at a marginal increase in value since acquisition) and construct elsewhere where there are less concerns regarding traffic, scale, massing and development of Local Open Land. Other sites have been investigated but there are very few land opportunities in the catchment area of West Thornton Primary Academy.

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BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972: none