

DECISION TITLE: Manor Drive Schools – New Build Project

Councillor John Holdich, Leader of the Council

December 2019

Deadline date: *December 2019*

Cabinet portfolio holder: Responsible Director:	Leader of the Council and Deputy Mayor of the Cambridgeshire and Peterborough Combined Authority Wendi Ogle-Welbourn. Executive Director People and Communities, Cambridgeshire County and Peterborough City Councils.
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/28OCT19/ 01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	YES Verto number: PR002483/PR002280

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the Council to act as the Responsible Body for the self-delivery of the design and build of Manor Drive Primary Academy and Manor Drive Secondary Academy and enter into a Memorandum of Understanding with the Department for Education to enable a feasibility study to be completed and a capital budget to be set by the DfE.
2. Authorise the Executive Director People and Communities to enter into a Pre-Construction Services Agreement (to include the completion of early works) and subsequently award the design and build contract to the successful DfE Contractors Framework Panel Member.
3. Authorise the Head of Legal Services or delegated officers to enter into any legal documentation on behalf of the Council in relation to this matter.
4. Authorise the Head of Legal Services or delegated officers to enter into a Development Agreement with the DfE and 4C's Multi Academy Trust, and grant a 125 year lease of the school sites to 4C's Multi Academies Trust after the defects liability period for the school buildings has expired.
5. Authorise the Executive Director People and Communities to enter into additional agreements if required by the DfE to facilitate the opening of the new schools by 4C's Multi Academies Trust.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for the Leader of the Council to consider exercising authority under the terms of Section 3 of the Constitution as follows:

All Executive functions are delegated to the Leader who may then delegate further to the Cabinet, Committees of the Cabinet, Cabinet Members and officers. The Leader retains responsibility for the functions so delegated and may exercise those functions in person regardless of the further delegation.

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3. BACKGROUND AND KEY ISSUES

- 3.1 This report seeks the Cabinet Member's approval to the recommendations to enable two new schools to be provided on the Paston Reserve development in Peterborough. The new free schools to be known as Manor Drive Primary Academy and Manor Drive Secondary Academy will open to reception children and year 7 children respectively in September 2022.
- 3.2 As identified in the Local Plan, the area known as Paston Reserve is currently under development. This area is east of the Paston Parkway and is bordered by Newborough Road and Norwood Lane. Phase 2 of the housing development is underway with the construction of 350 houses.
- 3.3 Under the terms of the Section 106 Agreement relating to the area, Manor Drive Primary and Manor Drive Secondary schools are to be delivered before the tenth anniversary of the school land transfer to the Council in October 2017, in order to provide new school places for children living on the new development and in the wider area.
- 3.4 Manor Drive Primary will be located adjacent to Norwood Lane and will be built to accommodate 420 children at capacity (two forms of entry) and will open to one form of entry for reception children in September 2022. A 26 place nursery provision will also be built as part of the new school site. Manor Drive Secondary Academy will be built to accommodate 900 children (six forms of entry) and will open to four forms year 7 children in September 2022, increasing the intake incrementally each year.
- 3.5 4C's Multi Academies Trust (4C's) are an education trust local to Peterborough who currently run Arthur Mellows Village College located in Glinton, Fulbridge Academy located in the city centre and Hampton Vale Primary in Hampton West. 4C's made successful Wave 12 and Wave 13 bids into the Free Schools Programme for both schools. The Council will work with the Academy Trust to develop the designs for the schools (the control options) in line with the DfE's current Output Specification for schools.
- 3.6 The Council submitted a Self-Delivery Business Case to the DfE to procure, design and build the new schools as the Responsible Body. The Business Case received approval on 20 September 2019. The Council has entered into a Self-Delivery Memorandum of Understanding with the DfE for the delivery of the new schools, which sets out the roles and responsibilities for the respective parties for the duration of the project. A Project Delivery Grant letter from the DfE will confirm grant funding to cover the costs associated with delivering the project. The Council is then required to undertake a Feasibility Study which will inform the cost plan for the school build, to enable the DfE to set a capital budget.

- 3.7 The Council will procure the contract for the schools via the DfE Construction Framework. The Construction Framework was procured under the Restricted Procedure of the Public Contracts Regulations 2015 (the "Regulations") and the Council is permitted to use the Framework as a condition for the external funding to be provided. The Framework structure is divided into low, medium and high value bands within regional lots. The Manor Drive schools project will be procured as a high value project within the North regional structure. The project will adhere to the established DfE procedures and will utilise the standard suite of documents for procurement. The Council has satisfied itself with the terms and conditions within these documents and has signed the Framework Access Agreement.
- 3.8 A requirement of the Framework is for the Responsible Body to enter into a Pre-Construction Services Agreement with the appointed contractor for the pre-construction period. Following a period of design development and submission, review and evaluation of the contractor's proposals, the Council as the Framework User will enter into a Bespoke Design and Build Contract 2016 for the delivery of the works with the appointed contractor.
- 3.9 The DfE are currently finalising their Modern Methods of Construction Framework. If the Framework is live at the point of tender, the DfE may advise the Council to consider using it for these projects.
- 3.10 Programme:
- In order to achieve an opening of September 2022, the key programme milestones are as follows:
- Approval of the Self Delivery Business Case by the DfE 20 September 2019
 - DfE approval of the Feasibility Study 6 December 2019
 - Pipeline scheme notification to DfE Contractor Framework members December 2019
 - Issue of Preliminary Invitation to Tender (PITT) 6 February 2020
 - Bidders Day 17 January 2020
 - Planning decision by December 2020 (anticipated date)
 - Appoint contractor and enter into a PCSA July 2020
 - Early works to be completed by November 2020
 - Submission of the contractors' proposals September 2020
 - Approval of Works Funding Agreement December 2020
 - Contract close December 2020
 - Start on site January 2021
 - Completion and handover July 2022
- 3.11 The land for the schools and nursery was transferred to the Council in October 2017 under the terms of the Section 106 Agreement for Paston Reserve. The transfer ensures that the primary site is fully serviced for the purposes of a school. There are developer contributions for the construction of the primary school set out in the S106 Agreement.
- 3.12 It is a requirement of the DfE that the Council and the Academy Trust enter into a Development Agreement for the delivery of the school builds. The Development Agreement will regulate the relationship between the Academy Trust and the Responsible Body (the Council). It provides the basis upon which the Academy Trust participates in the process for design finalisation, is consulted in relation to construction and commissioning matters and has its interests recognised by the Responsible Body.
- 3.13 The Agreement also envisages the novation of the design and build contract to the Academy Trust at a date immediately following completion of the Defects Liability Period. This ensures that the Academy Trust then has a contractual relationship with the design and build contractor allowing any obligations and liabilities to be directly enforced against the contractor. This allows the Council to drop out of the contractual chain.

3.14 The Development Agreement also forms an Agreement for Lease with Occupational Licence confirming that a lease (with a 125 year term) will be agreed between the Council and the Academy Trust upon completion of the new buildings following a 12 month defects liability period.

3.15 The Council will design and construct an access road from Newborough Road into the secondary school site. This road will provide construction access initially and will then provide permanent access into the secondary school site. The road will be built to adoptable standards. The road will be built upon land owned by Homes & Communities Agency under the terms of the S106 Agreement and an easement agreement. The construction of the road is subject to planning approval. If approved, the road will be constructed by Skanska under the Council's existing highway services contract and will be completed in readiness for the school contractor to start on site in January 2021.

3.16 The site for the schools requires some early works which include site contamination clearance, removal and relocation of overhead power cables and installation of a new substation. These works will be completed by the appointed framework contractor under a Pre-Construction Services Agreement.

3.17 The budget has been allocated in the Medium Term Financial Strategy (MTFS).

4. CONSULTATION

4.1 Key stakeholder department with the Council are fully briefed on the proposals. These include Planning, Highways, Finance, Communities & Safety and Legal Services.

4.2 Ward Councillors have been briefed on the process and programme and will be kept updated for the duration of the project.

4.3 A meeting was held with one local resident in June 2018. All local residents will be regularly kept informed of progress relating to the school builds.

4.4 A public consultation event will be held (venue to be determined) for the new school designs to be on display. Ward Councillors will also invited to this event. All comments made by the public in relation to the school designs will be collated and submitted to the Planning Department with the planning application.

5. ANTICIPATED OUTCOMES OR IMPACT

5.1 The Council will enter into a pre-construction services agreement with the appointed DfE Framework Panel member for the design and build of the Manor Drive Schools. The Council as the Responsible Body will subsequently enter into a design and build contract with the appointed contractor, subject to planning approval and a value for money review by the Council's technical adviser and the DfE.

5.2 Subject to planning approval and DfE approval at key milestones as set out in the self-delivery process, the programme anticipates construction of the new school commencing in January 2021, with a completion and handover date of July 2022.

5.3 The primary school will open for reception children only in September 2022. The school will grow incrementally each academic year. At capacity, the school will offer up to 420 primary places and 26 nursery places. The secondary school will open to four forms of year 7 children only in September 2022. The school will grow incrementally each academic year. At capacity the school will offer up to 900 places.

- 5.4 Approval of the Development Agreement will allow the Council to enter into a design and build contract with the appointed contractor in order for the work to commence on site as programmed.
- 5.5 Upon expiry of the 12 month defects liability period, the Council will enter into a 125 year lease with 4C's Multi Academies Trust.

6. REASON FOR THE RECOMMENDATION

- 6.1 The Local Authority has a statutory duty to provide school places. There are significant pressures on the city to provide school places in the areas most in need. A review of demographic data, build out and occupation rates for new dwellings at Paston Reserve has informed the decision to open new schools upon land subject to a Section 106 Agreement.

As a result of the above, the proposed scheme will:

- provide up to 420 new primary school places, 26 nursery places and 900 secondary places for children living in the Paston Reserve area
- the school will open on an incremental basis offering places to reception and year 7 children only in September 2022
- to be delivered following successful Wave 12 and Wave 13 free school bids submitted by 4C's Academies Trust to the Department for Education and procured via the DfE Contractor's Framework and grant funded by the DfE

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The following options were considered and rejected:

To do nothing. This option was rejected due to the Local Authority's statutory duty to provide sufficient school places. Demography analysis, build out and occupation rates for the new dwellings at Paston Reserve/Manor Drive demonstrate a need for the additional school and nursery places from September 2022.

To tender outside of the DfE Framework. This option was rejected due to the expectations on Responsible Bodies self-delivering free schools. The DfE Construction Framework was established specifically for the delivery of school projects and offers specialist advice to framework users. Panel Members are approved by the DfE for school build delivery as set out in the Output Specification for schools.

8. IMPLICATIONS

Financial Implications

- 8.1 The budget of £32.3m for this project has been allocated in the Medium Term Financial Strategy. The budget is made up of £1.9m S106 developer contributions and the remainder will be covered by DfE capital grant. There is a risk that some site abnormalities may not be covered by DfE grant in which case corporate resources (included in the budget) will be used. The DfE will confirm the capital budget for the projects upon completion and approval of the feasibility study.
- 8.2 The costs associated with the feasibility study, design and build contract sum (including the PCSA), ICT, legal and technical adviser fees and project delivery are covered by capital grant from the DfE (subject to planning approval for the schools schemes and approval of the Works Funding Agreement).

Legal Implications

- 8.3 The DfE Contractors Framework was procured under the Restricted Procedure of the Public Contracts Regulations 2015 and the Council is permitted to use the framework. The Council is entering into the agreement pursuant to its powers contained in section 2 of the Local Government Act 2000, section 14 of the Education Act 1996, section 22 of the Schools Standards and Framework Act 1998 and section 111 of the Local Government Act 1972 in order to enable investment in certain educational services and facilities.

Equalities Implications

- 8.3 The design of the new building must be compliant with all relevant legislation to ensure accessibility for all.

Carbon Impact Assessment

- 8.4 An initial assessment has been completed and was approved on 13.11.19.
- 8.5 The Manor Drive Schools will be built to current standards in line with the DfE capital funding requirements and Output Specification. Whilst it would be theoretically possible to go further in regard to designing the schools to ensure that their carbon impact is minimised, the funding does not allow for this in this instance

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None

10. BACKGROUND DOCUMENTS

- 10.1 School Organisation Plan 18-19 www.peterborough.gov.uk/residents/schools-and-education/PCCSchoolOrganisationPlan2018-19

- 10.2 Medium Term Financial Strategy

11. APPENDICES

- 11.1 Finance Business Case approved on 03 October 2019 by Head of Finance – People Directorate