

SURREY COUNTY COUNCIL

CABINET

DATE: 4 FEBRUARY 2013

REPORT OF: MR TONY SAMUELS, CABINET MEMBER FOR ASSETS AND REGENERATION PROGRAMMES

LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES

SUBJECT: APPROVAL TO DELEGATE AUTHORITY TO AWARD FUTURE CONSTRUCTION CONTRACTS PROCURED THROUGH BUILDSURREY



SUMMARY OF ISSUE:

In response to an increasing demand for school places across Surrey the Council has established, in its Medium Term Financial Plan 2013-2018, a Capital Programme to fund the provision of additional places in a number of schools.

As part of this some 30 school capital construction projects will be procured over the next few years, along with a variety of non-school capital works. Procurement and Property Services have developed a Strategy to engage local building contractors to tender for schools and other projects through the BuildSurrey portal.

Cabinet has delegated authority to award contracts under the existing Framework Agreements in the past. In order to engage with local building contractors outside of the Framework Agreement a new delegated authority is sought.

RECOMMENDATIONS:

It is recommended that the Cabinet approves a new delegation of authority to award future construction contracts above £500,000 in value, where a competitive tender procedure has been followed through the BuildSurrey portal, to the Chief Property Officer in consultation with the Head of Procurement, Cabinet Member for Assets and Regeneration Programmes, Cabinet Member for Business Services, Cabinet Member for Schools and Learning, the Leader of the Council and Section 151 Officer. Authorisation will be formally minuted with the S151 officer retaining the paperwork.

REASON FOR RECOMMENDATIONS:

The proposed scheme of delegation will ensure that the limited delivery timescales of some 30 School Basic Needs projects are met. The school projects totalling approximately £50m over the next 2 years, and other non-schools capital works up to £10m in aggregate will be tendered through the BuildSurrey portal. This will ensure that as much as possible of over £60m of construction works will be delivered directly through Surrey based contractors.

The requested delegation is in line with the principles established under a previous Cabinet report of 25 September 2012, whereby delegated approval was given for schools capital construction projects above £500k in value, delivered via a Framework Agreement. The consultation and decision recording requirements of the

delegation will provide an appropriate governance structure.

DETAILS:

Surrey Primary Schools Expansion Programme

1. Surrey County Council has a statutory duty to provide school places. In response to an increasing demand for school places across Surrey the Council established, in its Medium Term Financial Plan 2013-2018, a Capital Programme to fund the provision of additional places in a number of schools.
2. Some 30 school capital construction expansion projects of aggregated value approximately £50,000,000 are grouped into the Surrey Schools Programme and will be procured over the next few years to meet the increased demand for primary school places.
3. A variety of other non-school capital works projects of aggregated value up to £10m over the next few years will also be procured. Procurement and Property Services have developed the Strategy to engage local building contractors to tender for schools and other projects through the BuildSurrey portal. This will ensure that as much as possible of over £60m of construction works will be delivered directly through Surrey based contractors.
4. The BuildSurrey portal has been developed in accordance with the Strategy for direct engagement with local small and medium enterprises (SME) as approved by Cabinet on 29 May 2012. Over 600 independently accredited local Small and Medium contractors who can demonstrate suitable experience and capacity to deliver the works have registered on the BuildSurrey portal. Individual projects will be let competitively by seeking four to five tenders from selected panels formed from these contractors. Currently 75 contractors are benefiting from direct tendering opportunities through BuildSurrey.
5. Further opportunities for these accredited contractors will be accessible at a sub-contractor level through the BuildSurrey portal. In total it is estimated that over 60% of Surrey County Council's expenditure on the construction related projects will be delivered by local contractors and suppliers.
6. The majority of the projects need to be completed by September 2015. It is projected that a number of competitive tenders for these works will be undertaken during summer 2014 in order to meet the 2015 delivery timescales.
7. In order to maintain limited timescales in the delivery of projects Cabinet approval is sought to delegate the authority to award future construction contracts above £500,000 in value, where a competitive tender procedure has been followed through the BuildSurrey portal, to the Chief Property Officer in consultation with the Head of Procurement, Cabinet Member for Assets and Regeneration Programmes, the Leader of the Council and Section 151 Officer.
8. The delegated authority will be applicable to some 30 School Basic Needs projects totalling approximately £50m over the next 2 years, and other capital works of aggregated value up to £10m. One of the first of the contracts to be awarded under the proposed delegation will enable the expansion of

Holmesdale Infant School. Notice of the proposed award of all contracts to be made under this delegation will be advertised on an individual basis as part of the Council’s Forward Plan and Notice of Decisions process.

CONSULTATION:

- 9. Consultation took place with schools staff and governors as part of the Schools Programme and a public consultation will be held as part of the pre-planning application process.

Financial and Value for Money Implications

- 10. Individual contracts for works will be competitively tendered via BuildSurrey involving local Small and Medium Enterprises in order to maximise value for money. The proposed delegation arrangements will enable the council to deliver schools expansion projects and other works efficiently and to appropriate timescales.

Section 151 Officer Commentary

- 11. The Section 151 Officer acknowledged the delegation of authority and that under the proposed delegated authority the Section 151 Officer will provide confirmation before individual contracts are awarded.

Legal Implications – Monitoring Officer

- 12. Section 13 of the Education Act 1996 places a general duty on local education authorities to secure that efficient primary education is available to meet the needs of the population in its area. In doing so, the Council is required to contribute to the spiritual, moral, mental and physical development of the community. Section 14 of the Education Act 1996 places a duty on the Council to secure that sufficient schools or providing primary and secondary education are available in its area. There is a legal duty on the Council therefore to secure the availability of efficient education in its area and sufficient schools to enable this.
- 13. The proposed delegation will enable to Chief Property Officer to take timely decisions, in consultation with Cabinet Members and key Council officers. In view of the budget made available for these construction projects and this specific delegation to the Chief Property Officer, subsequent exercise of this delegation will not be treated as a “Key Decision”.

Equalities and Diversity

- 14. All works to the schools will comply with DDA (Disabilities Discrimination Act) regulations. The expanded schools will provide employment opportunities in the area.
- 15. The schools will be for children in the communities served by the schools. If there is sufficient provision available, then it would be beneficial for all children, including vulnerable children.
- 16. The schools will be expected to contribute towards community cohesion and will be expected to provide the normal range of before and after schools clubs as are provided in a typical Surrey County Council school.

Corporate Parenting/Looked After Children implications

17. This proposal would provide increase provision in the County, which would be of benefit to all in the communities served by the schools. This means it would therefore also be of benefit to any looked after children who will attend the schools.

Climate change/carbon emissions implications

18. The design philosophy is to create new build elements that will support low energy buildings to exceed the requirements of Building Regulations in terms of thermal insulation and energy consumption and this will be achieved by a high performance thermal envelope which will reduce the overall heating demand with minimal heating provided to compensate for fabric losses only.

WHAT HAPPENS NEXT:

19. The proposed delegated authority will be applicable to some 30 School Basic Needs projects totalling approximately £50m over the next 2 years, and other non-schools capital works up to £10m in aggregated total.

Contact Officer:

John Hesp - Senior Category Specialist (Property) – Tel 020 8541 7934.
Bill Christie – Senior Project Manager – Tel 020 8541 9509

Consulted:

Surrey officers and the project architects have been consulted but wider consultation is not applicable. Members previously consulted on the business case were:
Ms Denise Le Gal (Cabinet Member Business Services),
Linda Kemeny (Cabinet Member Schools and Learning),
Barbara Thompson, Local Member for Earlswood and Reigate South
David Kelly (Legal Services),
Paula Chowdhury (Finance),

Annexes:

None

Sources/background papers:

None.
