


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 MARCH 2016</p>		
<p>ENHANCEMENT OF ALTERNATIVE PROVISION AT THE BRIDGE AND GRESWELL STREET SITES</p>		
<p>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan</p>		
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>		
<p>Classification - For Decision Key Decision: Yes</p>		
<p>Wards Affected: Palace Riverside</p>		
<p>Accountable Executive Director: Andrew Christie Executive Director of Children's Services</p>		
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1. EXECUTIVE SUMMARY

- 1.1 This report requests that the Cabinet agrees to enhance the curriculum offer to H&F students at the borough's Alternative Provision at the Bridge Academy site run by TBAP, through the redevelopment of the site . The proposal will incorporate the proposed 16-19 Alternative Provision (AP) Free School and a new multi-agency hub to enable interagency work including that of the Youth Offending Service, NHS and employment support agencies, to be carried out on site. A map of the current site is attached as Appendix 2.
- 1.2 To facilitate the proposal, Action on Disability are to be supported to relocate from Greswell Centre, adjacent to Bridge Academy's current site to the Normand Croft Primary School site.
- 1.3 Subject to Secretary of State approval the Greswell St site is to be incorporated into the comprehensive Bridge Alternative Provision Academy including the Free School refurbishment and new build proposals.

- 1.4 The estimated cost of the scheme is £10m of which the Council will allocate £6m from Section 106 funding. The remainder of funding has been secured by TBAP from the EFA.

2. RECOMMENDATIONS

- 2.1 That the Council supports the enhancement of the curriculum offer to H&F students at the borough's Alternative Provision Academy at the Finlay Street site run by TBAP, through the redevelopment of the site
- 2.2 That the Council agrees to contribute £6m from S106 contributions subject to confirmation that the balance of the funding is secured by TBAP.
- 2.3 Subject to the approval of the Secretary of State, that the Council agrees to incorporate the Greswell St site in a 125 year academy lease to TBAP
- 2.4 That the Cabinet agree to the appointment of LSI architects to develop the scheme to Royal Institute of British Architects Stage 7 (occupation) as outlined below and in accordance with the procurement process advice given in Part B;
- 2.5 That the Council delegates to the Cabinet Member for Children and Education the appointment of a construction contractor, subject to the proper procurement processes being followed, the scope being agreed and the costs being within budget.

3. REASONS FOR DECISION

- 3.1 The Council established the Bridge Academy as an innovative Alternative Provision School at Finlay St in 2006 for 11-16 year olds who had been excluded or were at risk of exclusion. The Bridge Academy took over the running of alternative provision at Kensington & Chelsea and Westminster City Council and established itself as a highly regarded AP provider, subsequently converting into a multi-academy trust under the aegis of TBAP, the Tri-Borough Alternative Provision Trust.
- 3.2 Under its last OFSTED inspection in May 2013, the Bridge Academy was judged to be outstanding in all categories

The achievement of pupils
The quality of teaching
The behaviour and safety of pupils
The leadership and management

- 3.3 In order to enhance the education outcomes of children further the leadership and management of the Bridge Academy have identified a number of key elements to enhance the offer for H&F students.

Improved suitability to improve curriculum offer (Sports hall)

Enhanced curriculum enrichment offer on-site taking place before and after school and at weekends

New sixth-form provision

Multi-agency hub incorporating the youth offending service, health workers, including sexual health support, / therapeutic specialists and an Enterprise zone.

4. INTRODUCTION AND BACKGROUND

- 4.1 On November 3rd 2014 the Cabinet agreed in principle that the site of both the current Bridge Academy and the Greswell Centre be developed to include a 16-19 AP Free School (subject to the bid to the DfE being successful), under the aegis of the Tri-Borough Alternative Provision Trust (TBAP). A map of the current site is attached as Appendix 2.
- 4.2 The process of appointing a design team was begun under Director's Authority to Proceed commencing with an opportunity notice in March 2015. One bid was scored the highest in July 2015, that of LSI, coincidentally known to the Authority through its detailed design of Queensmill School. The evaluation process and details are set out in Part B below; Bridge senior staff joined with officers in that work and agreed the outcome.
- 4.3 Significant remodelling of the site is required in order to upgrade the current facilities to incorporate the new sixth-form and to enhance the additional support packages required for students and to make provision on site for the multi-agency services so important for effective delivery
- 4.4 A successful Priority Schools maintenance application is currently being quantified; but the work required to make the buildings fit for purpose going forward and to design and construct the Free School will require a significant investment from the Council.
- 4.5 As a result of the Council's investment, The Bridge would become a purposely designed, 21st facility on site, minimising numbers of young people not in education or employment (NEET) with an improved vocational education offer on site. The confidential Part B paper attached affords further detail.
- 4.6 This redevelopment would include remodelling and refurbishment of existing buildings and the provision of new educational facilities

5. PROPOSAL AND ISSUES

5.1 The proposal is to:

- Upgrade and remodel the current buildings on the site to provide a 21st century Alternative Provision School for predominantly LBHF pupils on the Bridge/ Greswell Centre site, to include improved sports and other specialist facilities;
- Provide a 16-19 Free School;
- Provide additional facilities to include multi-agency spaces for use by organisations such as the Youth Offending Service, Health Workers, a NEET [Not in Education or Employment] Action Zone and a Community Café. These will provide a more comprehensive and easily accessible support programme for young people and promote wider links with the local community.

Relocation of Action on Disability (AoD)

5.2 The Council occupy the freehold of Greswell Centre and Action on Disability currently occupy the Greswell St site, albeit on a reduced footprint since the service relating to children relocated to the Lyric Theatre. CHS officers have captured AoD service needs and it is now proposed that AoD be supported in their relocation to another site in Fulham, Normand Croft Primary School, subject to agreement. The adult education provision currently delivered at Normand Croft will also continue to be provided on site. The Director of Property & Building Management has delegated powers to agree terms of occupation with the school so AoD occupation is clearly outlined.

Appointment of Design Team for the Programme

5.3 The Project now requires the appointment of a Lead Consultant and a Design Team to enable the works to be progressed.

5.4 Separately the Project Manager/Employer's Agent and Quantity Surveyor will need to be appointed to eliminate any conflict of interest.

Appointment of a Construction Contractor

5.5 In relation to the appointment in due course of a construction contractor, every effort will be made to ensure that the preferred bidder adopts a social value approach to the execution of the contract, for example by:

- Delivering apprenticeships to local young people;
- Maximising opportunities for local small and medium-sized firms to form part of their supply chain.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1 Three key options have been considered:

- Maintain the status quo;
- Minimal works to establish the new sixth-form
- The Council take the lead in funding the requirement to enhance the curricular offer for H&F students and incorporate it in to a design to establish the new sixth-form and expand the offer to include an inter-agency hub

6.2 The first option fails to utilise the EFA resource, does not address urgent maintenance issues and does not provide the 16-19 provision felt to be so critical in providing for the ongoing, mostly but not exclusively, academic education required for a significant number of young people and not appropriately offered elsewhere. It is therefore not preferred.

6.3 The second option is more appropriate; but still fails to address the inherent issues with the current buildings, which not only need the structural repairs proposed by the EFA; but also extensive remodelling and refurbishment to make them fit for purpose going forward. Included in current concerns are corridors which are too narrow for safety; rooms of the wrong size for appropriate teaching and too few properly provided specialist spaces.

6.4 The third option is the preferred one as it allows the provision a future in appropriately designed buildings with wider opportunities for personal and social development. It is likely that the not insignificant outlay will yield, over time, an improvement in the social inclusion of the young people concerned and a decrease, as a result, in the costly anti-social behaviour associated with limited achievement, low self- esteem and fragmented support.

7. CONSULTATION

7.1 To date consultation has been confined to officers, members and TBAP. Going forward, TBAP will lead on consultation with residents on the design and subsequent planning application.

8. EQUALITY IMPLICATIONS

8.1 An Impact Assessment was drafted to support an earlier report. The impact remains favourable for children in LBHF, as the proposal will increase achievement and social inclusion and thus address inequalities of opportunity.

9. LEGAL IMPLICATIONS

9.1 The Cabinet can undertake this proposal to provide additional resource for the AP Bridge School expansion under its general power of competence.

9.2 However, as this is Education land ,the current applicable legislation is Schedule 1 to the Academies Act 2010 (as amended by the Education Act 2011), which has replaced the old Schedule 35A of the Education Act 1996.Schedule 1 requires a local authority to obtain SOS consent when it disposes of land that has been used as a school or for a 16-19 Academy within the last eight years.

- 9.3 The Council own the freehold of Greswell Centre, which is not used for any school facilities or education provision . The Council will have to appropriate this land from its current purposes to Education purposes and in doing so confirm that the land is no longer required for the purpose for which it is currently held.
- 9.4 The competitive procurement carried out for procuring a multi-disciplinary design consultancy service for expansion and refurbishment of the AP Bridge Academy is still good as such changes to design are minor and the basic tender requirements have not changed and the award under such procurement to LSI is a valid award compliant with Public Contracts Regulations.
- 9.5 The recommendations are accordingly endorsed.

Implications completed by: Babul Mukherjee, Senior Solicitor(Contracts)
Phone: 02073613410.

10. PROPERTY LEGAL IMPLICATIONS

- 10.1 The Council granted a 7 year lease to TBAP Trust on 1st April 2013 as an interim measure whilst the re-provision of education facilities were being crystallised. It is proposed, this lease is surrendered and two 125 year leases are granted (i) in respect of the Bridge Academy facilities (occupying the same land as the current short term lease and also (ii) a separate 125 year lease for the adjoining new Free School provision. The Council own the freehold of Greswell Centre, which is not used for any school facilities or education provision.
- 10.2 The Council has a duty under Section 123 of the Local Government Act 1972 not to dispose of land for less than the best price that can reasonably be obtained. If this land is to be disposed of at an undervalue then Secretary of State consent is necessary as the general consent under Circular 06/03 only allows for reductions in value of up to £2m. A valuation of the site is being undertaken by an external consultant but it is likely the value of the Greswell site exceeded
- 10.3 In addition, the Council can also under section 16 of the Education Act 1996 sell land/buildings below market value to facilitate new schools, subject to SOS consent.
- 10.4 LBHF agree to grant a long lease to TBAP for the Greswell Centre at nil value if SOS consent is secured as outlined above. This would allow the Free School to be constructed.
- 10.5 LBHF would also need to ensure capital funds are finalised and an agreed specification of works are approved by AoD for their new accommodation at the Normand Croft Primary School. Any property revenue costs to be borne by AoD need to be understood.

- 10.6 If s106 monies are to be used the planning agreements will have to be reviewed and if necessary renegotiated. Legal advice and support will be necessary.

11. PLANNING IMPLICATIONS

- 11.1 A planning assessment has been issued to help ensure that the best form of future development takes place on this sensitive site. This work will continue as part of the pre-application and application process. The decision to progress this proposal will, as always need to be made without prejudice to any decision that may be made on any future planning application.
- 11.2 In respect of accessing the S106 funding, officers are currently working through the opportunities to use funds for this project.

Implications verified by Peter Kemp on behalf of Director of Planning and Growth.

12. FINANCIAL AND RESOURCES IMPLICATIONS

- 12.1 The Financial implications of this report relate to the disposal of Greswell St at nil receipt; the £6m funding of the project from the Council and the potential VAT implications in relation to the scheme.
- 12.2 In October 2014, the Council approved the disposal of the Greswell St site to TBAP. At that time the valuation was approximately £2m. A new valuation of the site is now being sought and is likely to be in excess of £2m. The eventual valuation will represent the value of the capital receipt the Council is foregoing in order to support this scheme. Foregoing a capital receipt represents an opportunity cost to the Council as a whole as it could otherwise be used to finance the capital programme or reduce capital debt.
- 12.3 The report proposes that the Greswell site is transferred at nil consideration. This would need to be done with regard to S123 of the Local Government Act 1972 which ordinarily requires property to be disposed of at best consideration. While exemptions to the Act exist under general consents from the Secretary of State (and would likely be applicable in this instance) the general consent in place only allows for reductions in value of up to £2m. As such an application will need to be made to the Secretary of State,
- 12.4 In addition to the transfer of land the Council's capital contribution to the scheme is set at £6m. This is to be funded from S106 contributions. S106 funding for this scheme would need to be set against specific S106 agreements that require funds for Education or Social and Physical Infrastructure. The work on identifying the funding sources is currently being carried out. The scheme is due to be built between September 2016 and December 2017.
- 12.5 If it is not possible to identify the full amount at this stage, then future S106 agreements will need to be set against the funding requirement of this scheme. In the meantime, funding for the scheme would be applied from

general capital funds and repaid by future S106 receipts. In the event that full funding from s106 cannot be identified any shortfall will need to be met from alternative sources, which could include general capital resources or borrowing. Were this to be the case there would likely be an impact on the Council's Capital Finance Requirement (CFR), either directly by increasing borrowing or indirectly by using resources which could have otherwise been used to reduce debt. This would result in an ongoing charge to revenue through increased Minimum Revenue Provision (MRP) charges. A reasonable estimate of such costs is 4% of the increase in CFR. If alternative funding is required, this will need to be subject of a further decision.

- 12.6 TBAP will access approximately £4m from the Priority Schools Building Programme and a grant to establish the sixth form as a Free School. Both of these funding elements will be distributed by the Education Funding Agency
- 12.7 The financial elements of the proposed scheme are complex and consideration must be given to the impact on the council's VAT partial exemption limit.
- 12.8 The VAT Partial Exemption makes special provisions for Local Authorities to reclaim the input tax on exempt activities providing such activities do not exceed 5% of the Council's overall input tax in a given year. If this threshold is exceeded then all input tax recovered on exempt activities must be repaid to HMRC. The threshold varies from year-to-year as it is a function of a variable number (total input tax) but for an average year an unmitigated breach of the threshold would cost the Council upwards £2m.
- 12.9 In order to manage the impact on VAT, consideration needs to be given as to how the Council may manage the project within existing thresholds including opting to tax and reviewing the flow of funding. It should be noted that if this project is managed within the threshold this may impact on other projects or activities across the Council.
- 12.10 The design and funding of the scheme must give due consideration to the most appropriate and efficient use of resources. It will be the responsibility of the Director of Finance and Resources (Children's Services) to ensure that the accounting for the scheme is appropriate within the £6m total contribution.
- 12.11 Revenue funding for the facility will be provided through the Dedicated Schools Grant

Implications verified by Dave McNamara, Director of Finance & Resources, Children's Services.

13. IMPLICATIONS FOR BUSINESSES

- 13.1 The construction programme will benefit local contractors and subcontractors, by offering work to them.

- 13.2 The development of the Enterprise Zone will seek to establish a link between local employers and students to encourage local job opportunities
- 13.3 It would also be the expectation that, through yet more effective 11-16 provision and the new 16-19 Free School, the local labour market would benefit from an increased number of young people entering it with both greater, more appropriate skills and a more focused attitude towards gainful employment.

14. RISK MANAGEMENT

- 14.1 The service department has a risk management framework in place. The framework requires that risks associated with projects are reviewed periodically, at least quarterly, and are escalated where they become significant. The most significant risks are captured on a service department risk register reviewed by the Senior Leadership Team, risks are allocated to individuals for their management and to ensure that there is sufficient accountability. The report proposes reasonable recommendations now that it is known that the scheme will be sovereign and not in partnership with the Royal Borough of Kensington and Chelsea. Strategic risks linked to the scheme and the Shared Services Risk Register are, risk number 4, Market Testing and ensuring that the Council secures the best possible commissioned services at best possible cost to the taxpayer, risk number 14 increasing complexity in managing relationships with schools.

Implications verified by: Michael Sloniowski, Shared Services Risk Manager, 020 8753 2587

15. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 15.1 The report seeks Cabinet approval for three procurement-related decisions:
- To proceed with a procurement to carry out the re-development of the Bridge Academy and Greswell centre sites, different than that originally advertised when sourcing the recommended architects for the scheme's design;
 - To appoint LSI Architects LLP as the Lead Consultant and full design team consultant for the development of the new scheme; and,
 - Prior approval to delegate the subsequent award of the construction contract to the Cabinet Member for Children and Education.
- 15.2 Legal advice on proceeding with the amended scheme is contained elsewhere within this report and not repeated here. Suffice to say that legal opinion is that the procurement does not need to be re-started.
- 15.3 The recommendation to appoint LSI Architects follows an OJEU notice and a mandatory fully regulated public procurement. As such, the competition to find the right Architects has been robust and transparent. The service

department recommendation to award to LSI is made on the basis on them having submitted the most economically advantageous tender, taking in to account quality and cost, and the Interim Director supports this recommendation.

15.4 Under the Council’s Contracts Standing Orders Cabinet can, if it wishes, give prior approval to delegate the award of forthcoming contracts, in this case the works contract for the construction of the new scheme, to:

- To the relevant Cabinet Member where the pre-tender estimate is below £1,000,000; or,
- To The Leader and the relevant Cabinet Member where the pre-tender estimate is between £1,000,000 - £5,000,000.

Where the pre-tender estimate exceeds £5,000,000, or the actual tender returned recommended for award is more than the estimate, CSOs require the award decision to be made by full Council. At the time of providing these comments, the report does advise of an estimated tender price.

15.5 The procurement of the construction and refurbishment elements of the scheme should provide good opportunities for the seeking of Social Value, local economic and community benefits from it. The service department should look to optimise these, with active advice and support from the Council’s Procurement and Local Economic Development Teams.

Implications completed by John Francis, Interim Head of Procurement (job-share), Chief Executive’s Department 020-8753-2582.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	<i>Description of Background Papers</i>	Name/Ext of holder of file/copy	Department/ Location
1.	N/A		

LIST OF APPENDICES:

Appendix 1 (contained in the exempt report on the exempt Cabinet agenda).

Appendix 2: Site Plan