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**Meeting:** Executive  
**Date:** 27 March 2012  
**Subject:** Central Bedfordshire University Technical College (UTC)  
– premises development

**Report of:** Cllr Mark Versallion, Executive Member for Children's Services

**Summary:** The report proposes specific arrangements for the procurement of premises for the UTC in existing Council-owned premises at Houghton Regis in order that the UTC can be open for September 2012.

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**Advising Officer:** Edwina Grant, Deputy Chief Executive/Director of Children's Services

**Contact Officer:** Pete Dudley, Assistant Director for Learning, Commissioning and Partnerships 0300 300 4203

**Public/Exempt:** Public

**Wards Affected:** All

**Function of:** Executive

**Key Decision** No

**Reason for urgency/ exemption from call-in (if appropriate)** The decision is urgent because the potential for the Council to act as procurement vehicle for the UTC has only just been identified with the relevant Government agency. Significant building adaptations are required to make the Council-owned premises suitable for the new learning institution and the Council needs to confirm that it is able to undertake the procurement activity. Urgent preparatory work is needed to ensure contracted works start which will enable the premises to be suitable for the new UTC in September 2012 which would not be achievable if delayed to 15 May 2012, the date of the next scheduled meeting of the Council's Executive. Suitable leases for the Kingsland site also need to be developed alongside work on the building scheme and a requirement for a Development Agreement to be entered into with the UTC Trust.

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The UTC Project will promote the following two Council Priorities:

- Educating, protecting and providing opportunities for children and young people.
- Managing growth effectively.

### **Financial:**

1. The structure of delegations suggested by this report ensures that the build project cannot be commenced until the external capital funding is secure. The Section 106 funding, referred to in section 26 of this report is already held by the Council. Project-related costs are covered by the overall funding envelope and robust checks will be in place to avoid any over-commitment, which is assisted by the legal process for letting the Partnerships for Schools standard-form Design and Build Contract. There are no associated revenue implications.

### **Legal:**

2. The Council's Legal Team are familiar with the standard-form document provided by Partnerships for Schools (PfS) for the Design and Build Contract, Development Agreement and Lease, as are the specialist consultant and Technical Advisor.
3. The main legal issues relate to the procurement arrangements and the processes for granting leases of an element of the Kingsland campus, which officers are currently working on urgently.

### **Risk Management:**

4. The main risks in this scheme relate to:
  - delivering phase 1 of the project on time;
  - ensuring the timely decant of existing users from the blocks involved at Kingsland;
  - agreeing a scheme which can be procured within the capital funding envelope;
  - ensuring the proper input of the embryonic UTC – itself a new national initiative; and
  - having adequate contingency plans in place to overcome unforeseen issues during the implementation of the building project.
5. The Design User Group (see sections 23 and 32 of the report), are responsible for developing high level risks into a 'PRINCE 2' risk register (consistent with the Council's established processes) and for its regular review. The register, the project's Technical Adviser and specialist consultant will be subject to regular external challenge by the Head of School Organisation and Capital Planning, Children's Services, who has recent relevant training.

**Staffing (including Trades Unions):**

6. The Technical Advisor is appointed to a national firm drawn from a Partnerships for Schools framework and is therefore not directly an employee of the Council. The specialist consultant is employed through the Council's existing arrangements for the engagement of temporary staff. Any additional human resource required during the implementation of the scheme will be obtained through that contract.

**Equalities/Human Rights:**

7. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics. Education is a key determinant of life chances allowing individuals to develop the skills, capacity and confidence to secure economic and other life opportunities. Poverty is strongly associated with low achievement and significantly more so for White British pupils. This initiative (based in a part of Central Bedfordshire that includes Lower Super Output Areas which are in the most deprived 10% of areas in England), will increase local access to a range of learning and vocational opportunities and will play a vital role in raising education outcomes for the area.
8. The UTC Trust which will have an elected member trustee and the Director or her nominee as participant observer will be directly accountable through its Funding Agreement with the Secretary of State for Education for meeting Equalities requirements in operating the UTC.
9. The PfS standard contract documentation (referred to in section 30 of the report) contains full Equalities provisions in order to comply with requirements directly relating to the procurement activity. The adapted and new-build premises must meet full access requirements to obtain current Buildings Regulations approvals.

## **Public Health**

10. By improving choice and diversity in local education provision it is hoped that the UTC will improve future educational engagement and attainment, enabling young people to play a full economic role in society, contributing to their own and their dependants' positive health and well-being outcomes. These could include:
- a reduction in the percentage of 16-18 year olds not in education, employment or training (NEET);
  - reduction in first-time entrants to the youth justice system; and
  - decreasing the differences in life expectancy and health life expectancy between communities.

## **Community Safety:**

11. The Council has a statutory duty under section 17 of the Crime and Disorder Act 1998 to do all that it reasonably can to prevent crime and disorder in its area as it exercises its functions. It is a requirement for using the Partnerships Framework Design and Build Contract that rigorous attempts are made to incorporate appropriate features to make the new facilities both secure and accessible. This dimension must feature on the risk register referred to in 4, above. In addition to ensuring the new facilities are secure and accessible it will also be necessary to consider how to mitigate the risk of increased reporting from the local community of anti social incidents, in view of the increase in numbers of people using the site. Consideration also needs to be given to the community safety implications where those attending the PRU and childcare facilities may come together in common areas within the site.

## **Sustainability:**

12. An objective of the project is to ensure the up-rating of the services infrastructure in the proposed UTC premises, although they are linked to plant which is shared across the Kingsland campus. The Council's retained specialist carbon reduction consultants will advise on the building contractor's proposals although the level of funding and the predominant refurbishment nature of the project will not enable especially radical technologies to be deployed, when compared to larger scale new-build schemes such as All Saints Academy, Dunstable.

## **Procurement:**

13. It is proposed to draw a single contractor from the framework agreement created by PfS and entered into by Central Bedfordshire Council. The relevant statutory provisions are contained with the Public Contracts Regulations 2006 (SI2006/05) and in particular regulation 19.

- 14 Sections 28 to 31 of the report explain the proposed procurement arrangements and the parameters directly relating to a direct award procurement. The PfS Design and Build contract requires the adequate design development of the scheme prior to entering into the contract, which assists in securing cost-certainty and quality. A clerk of works and construction-risks safety planner will work with the Technical Advisor as part of the client-team to monitor the actual building process, which will also be subject to regular Building Regulations inspections throughout implementation. The rates for works in the PfS European-wide procured Framework have been through rigorous testing in order for Willmott Dixon Ltd to be able to be considered for a place on the framework. Any changes to the contract during implementation are subject to a formal process of agreement by the Council, as client, in liaison with the UTC Trust and Leadership, who are not authorised to directly instruct any contractual changes.

**Overview and Scrutiny:**

15. This matter has not been considered by Overview and Scrutiny. The Chairman of the Children's Services Overview and Scrutiny has agreed that the decision is treated as a matter of urgency and therefore not subject to call in.

**RECOMMENDATIONS:**

**The Executive is asked to:**

- 1. approve the addition of the Central Bedfordshire University Technical College premises scheme within the Capital Programme and authorise the commencement of expenditure;**
- 2. delegate authority to the Deputy Chief Executive / Director of Children's Services, in consultation with the Head of Legal Services and the Executive Member for Corporate Resources, to enter into an Education Funding Agency Design-and-Build Contract and Development Agreement, as outlined in the report, and to comply with the implementation arrangements required by Partnerships for Schools/the Education Funding Agency; and**
- 3. delegate authority to the Chief Executive, in consultation with the Executive Member Corporate Resources and Head of Legal Services, to authorise and approve the terms of all property-related legal documentation including leases of the relevant land and buildings to the Central Bedfordshire University Technical College Trust .**

<i>Reason for Recommendations:</i>	<p><i>(a) in order to procure the works the scheme needs to be included in the Capital Programme;</i></p> <p><i>(b) Once the funding has been approved, following a feasibility study, the scheme needs to be implemented promptly in order that the intended completion date in August 2012 can be achieved;</i></p> <p><i>(c) a formal Development Agreement with the UTC Trust is a statutory requirement and within it are the building contract and the temporary lease to (1) the design and build contractor and (2) the 125-year lease to the UTC Trust. The Council retains the freehold of the land involved and the site has other uses subject to a variety of other lease arrangements which the Council must manage as part of its estates portfolio.</i></p>
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### **Executive Summary**

16. The early development of a UTC in the Council's area is an excellent initiative which should broaden the choice and diversity of local education provision and create new statutory education; training; higher education pathways; and, career opportunities for local young people and contribute to economic well-being.
17. The Council are working in support of the UTC development with other prominent Sponsors and is able to use its services to secure new premises under the arrangements articulated in the report.
18. Whilst the implementation time-line is challenging, the Council has access to known expertise which should lead to effective client-management of this scheme - as it has done with the major rebuild of All Saints Academy, Dunstable, which has similar project characteristics.
19. The report explains the arrangements and provides delegations which enable timely approvals to PFS/Education Funding Agency (EFA) documents, including lease/s and contracts and subsequent management of the scheme through rigorous risk-management processes, including robust challenge.

### **Background to the UTC**

20. In January 2012, following prior consultation with national Government and the Baker-Dearing Trust the Council agreed to support arrangements to develop a UTC in Central Bedfordshire, to be physically located in two adjacent blocks at the Kingsland Campus in Houghton Regis in the main currently used by Central Bedfordshire College. The CB UTC specialist curriculum focus is engineering. It is intended to enrol up to 600 young people in the age-range 14-19, with entry-points at both 14 and 16. It is also intended to enrol students to start to September 2012, to both entry-points, and consultation notices have already been published in the local press. The site was identified as suitable for UTC purposes following a visit by Lord Baker, as part of a national short-listing process.

21. Whilst the UTC will be a free-standing institution, its development has engaged the following sponsors:
- Central Bedfordshire College
  - Cranfield University
  - University of Bedfordshire
  - British Engineering Aerospace (UK) Limited
  - The Council
  - A range of other key local businesses.

### **Process for establishing the UTC**

22. The UTC will be formally established by Government (Department for Education – DfE) using Academies legislation. As a legal entity it will be a free-standing Trust, both a company and a charity and it will need to hold a 125-year lease of the identified land and buildings on the shared campus in Houghton Regis.
23. The DfE has recently approved the outline UTC application and the project is now in ‘feasibility’ development. This process has led to the establishment of a Project Steering Group (PSG) and a Design User Group (DUG) to govern and manage the project to implementation. PfS – soon to be subsumed within the new EFA, have become engaged in securing arrangements for an urgent programme of premises developments to the Kingsland buildings.
24. Attached at **Appendix A** are plans of the current site and premises. The aspiration is to use the space currently occupied by Central Bedfordshire College, which is in Blocks 2 and 3. Use of both blocks is shared, one with a childcare setting, the other the secondary-age Pupil Referral Unit. An additional small building is also to be constructed through the project. At the point that this report was prepared detailed analysis of the proposed curriculum and the premises implications is incomplete and the size and location of the new building can only be approved once a feasibility study is ratified by PfS, which will unlock the external capital funding. In view of the timing, this report provides for delegated decisions to be taken. The building works will be phased to enable the refurbishment of the existing facilities to be completed first, to be followed by a small element of new build, as a second phase, which will require town-planning approval in the usual way.

## **Funding and implementation arrangements**

25. Capital funding at a level of £6.6m has been provisionally allocated by PfS for the project covering:
- the capital costs associated with decanting Central Bedfordshire College's current teaching provision at Kingsland Campus to alternate locations;
  - a building-works programme and associated professional fees; and
  - procuring specialist curriculum-related equipment, furniture, fittings and ICT.

£150,000 is retained by PfS from the above allocation to cover the costs of a Technical Adviser service to support the scheme.

26. Following a feasibility study, the external funding will be allocated to the Council specifically for the purpose of the UTC. The Council have also undertaken to support the premises procurement arrangements to a level of £400,000 given the strategic importance the UTC will play in developing the local and regional economy, future workforce and educational and career aspirations of local young people. Part of this allocation of 'Section 106' funding for new school places will be used to cover the costs of temporary additional staff and internal costs needed to support the scheme delivery.
27. Liaison with PfS has established that the most viable route for undertaking the premises development programme is via the Council and officers have had detailed discussions with PfS, DFE, the UTC Trust and the construction company Willmott Dixon Limited, who are currently undertaking the building of new premises for All Saints Academy, Dunstable, via equivalent PfS nationally-procured contractual arrangements.

## **Procurement route**

28. PfS have now proposed to the Council a 'direct award' procurement solution for the UTC premises procurement, using the PfS Academies Framework and employing Willmott Dixon Construction Ltd.
29. The Public Contracts Regulations 2006, regulation 19, provide that where a framework agreement has been created it is permissible to award a contract to a single contractor, who is signed up to the framework, without running any further form of competition. This is only permitted on the basis that the terms of the contract are laid out in the framework agreement. Consideration of the documents attached to the framework agreement provides the comfort required that the terms are contained therein and so it is considered permissible to enter into a direct award scenario.



30. In order to pursue the suggested approach the Authority has to work within its own Constitutional Procurement Rules and also have regard to the way in which the Academies Procurement Framework was tendered by PfS to comply with European legislation. The direct route is permitted by the Council's internal rules providing it satisfies best value considerations. Therefore officers have obtained the tendered rates for the relevant Framework from Partnerships for Schools which show that procuring via Willmott Dixon Construction would be cost effective. Willmott Dixon Construction's rates applicable to the UTC scheme are the same as the rest of the Framework member companies. The national framework has been re-tendered since All Saints Academy was procured and Willmott Dixon Construction's rates have reduced in line with the prevailing economic context in the construction industry, providing further value for this project. As the company is currently constructing All Saints Academy, Dunstable and a larger Academy scheme in Bedford Borough the UTC project will benefit from a further slight reduction as the three projects will now become 'batched' for costing purposes. For the UTC scheme the direct route would also save time and can be done using a standardised template Development Agreement and contract. This approach is familiar to the Council's officers as it aligns with the arrangements recently made for procuring the new Academy buildings for All Saints Academy, Dunstable.
31. It is a requirement that a Technical Adviser to the scheme is appointed from a national framework and given the linkages the Technical Adviser for the All Saints scheme has been recruited to the UTC project team. He will be supervised by a specialist consultant, who also acts as the Council's Client for the All Saints scheme and they will both report to the Head of School Organisation and Capital Planning in Children's Services.

### **Conclusion and Next Steps**

32. Work has already started in the Council's Property and Legal Teams on the draft UTC site lease. The Design User Group, including the Principal Designate of the UTC, has started to meet with officers and the Technical Adviser. They have been asked to work with the DUG to develop a project risk register specifically focussed on the Premises Development Project Risks and including the specific risks that face the Council in leading the premises procurement element of the UTC project.
33. Arrangements in relation to other users on the Kingsland site also need to be clarified, including the implications for Houghton Regis Leisure Centre, alongside resolving the curricular PE and physical recreation needs of the UTC's student body. Initial discussions have already been held with the Council's Head of Leisure to ensure appropriate strategic coherence. The Director for Children's Services has also convened a series of meetings with the Principal Designate to ensure a coordinated response from the Council to UTC matters.
34. The procurement approach set out in this report is viable. The scheme will need to be incorporated in its entirety in the Council's Capital Programme and senior officers will be tasked to regularly review and report progress. **Appendix B** is the Detailed Business Case for the scheme to enable expenditure to commence at the appropriate time.

**Appendices:**

Appendix A – Site location and block plans

Appendix B – Detailed Business Case

**Background Papers:** (open to public inspection)