

**By:** Sarah Hohler, Cabinet Member for Children, Families & Education Directorate

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**To:** CABINET – 11 January 2010

**Subject:** Kent Academies Batch 2 Procurement

**Classification:** UNRESTRICTED

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**Summary:** This report seeks approval of The Skinners' Kent Academy Outline Business Case and following approval from Partnerships for Schools (PfS) and the DCSF to run a mini competition from the Partnerships for Schools Contractors' Framework to select a building contractor to deliver the Kent Batch 2 Academies Programme with The Skinners Academy as the lead School.

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## 1. Introduction

1. 1 KCC has been at the forefront of local authorities developing Academies to provide the opportunity and resources to transform the life chances of disadvantaged communities, delivering a new learning infrastructure, enhanced curriculum opportunities and key skills for life and work. Kent was one of the first authorities to take on the role as sponsor. Being a sponsor ensures that KCC has a legitimate stake in the development of this new type of school, acting as joint co-sponsors. KCC believes this type of sponsorship is a sound investment which helps to secure our education policy objectives for the County. Such sponsorship enables us to strategically plan and integrate our academies with other community developments, in conjunction with other key agencies and partners, including health, social services, borough councils, diocesan boards and local businesses. Kent are able to stimulate, influence and shape the direction for a new culture of learning in local communities that have, for too long experienced inadequate provision.

1. 2 KCC have a network of academies throughout the county, located in areas of significant deprivation, working collaboratively with the family of schools in their neighbourhoods to provide community leadership for learning.

1.3 KCC appointed Carillion from the old National Framework in 2008 following a mini competition to deliver its Batch 1 Academies Programme. The framework has worked well with 3 of the 5 academies currently in construction and the remaining two currently being developed by the contractor. The BSF, PFI and Academies team (BSF Team) have worked with the contractor who has been able to demonstrate value for money and delivered the projects within the budgets available and on time.

1.4 Expressions of Interest have been submitted to the department and approved by the DCSF to establish the following schools which will form the Batch 2 Academies project:

- Skinners' Kent Academy, Tunbridge Wells.
- Knole Academy, Sevenoaks
- Archers Court Academy, Dover
- Duke of York Academy, Dover
- Christchurch Academy, Ashford.
- Astor of Hever, Maidstone

1.5 Cabinet have agreed as part of the SOAB process to close the predecessor schools and establish new academies and the educational benefits of this approach. As well as structural school organisational changes as part of the academy application capital funding is provided by the DCSF to enhance buildings through a mixture of new build and refurbishment as necessary. A matrix summarising the schemes is set out in Appendix 1.

## **2. Procurement Opportunities**

2.1 It is expected by the DCSF and Partnerships for Schools that the Academies are procured either via a Local Educational Partnership where one is in place or from the Partnerships for Schools Contractors' Framework. The proposed academies fall outside the area covered by Kent's LEP 1 and the timing of the academies is such that Kent's second LEP will not be in place in time to deliver these as required by the DCSF. It will therefore be necessary to procure the building works for these academies under a batched contract from the National Framework.

2.2 KCC, PfS, DCSF and the relevant Academy Trusts all agree that significant time and cost efficiencies can be realized for all parties by tendering all six projects as a single batched programme through the PfS National Framework. This removes the repeat time and financial costs to KCC associated with six separate transactions.

2.3 A batched programme is one where the Local Authority seeks to procure a number of Academy projects, but does not intend to take all the projects through the competitive phase of the procurement. One Academy will be designed by both two short-listed bidders from the PfS Contractors' Framework: this is referred to as the 'sample scheme'. The remaining 'non sample' schools will be designed by the Preferred Bidder either:

- in the period following the selection of a Preferred Bidder and contract award; or
- after an initial contract is awarded.

2.4 Each scheme is contractually separate. The contract that will be signed for the first scheme, The Skinners' Kent Academy, relates solely to that scheme. KCC will issue separate Authority's Requirements for all schemes to be developed post-contract award. The Preferred Bidder will be required to develop each scheme in line with these requirements and in line with the provisions of the PfS Lump Sum Design and Build Contract for Batched Schemes.

**2.5 This contractual structure provides KCC with the flexibility to NOT bring subsequent schemes forward if that becomes a necessary course of action.**

2.6 PfS announced in November 2009 those construction companies who had been successful in being appointed to the National Framework. The following companies are on the South Region Framework:

1. Apollo Property Services Limited
2. Balfour Beatty Construction Limited
3. BAM Construction Limited
4. Bovis Lend Lease Limited
5. Carillion Construction Limited
6. Interserve Projects Services Limited
7. JB Leadbitter & Co Limited
8. Kier Regional Limited
9. Rydon Group Limited
10. Sir Robert McAlpine Limited
11. Wates Construction Limited
12. Willmott Dixon Construction Limited

2.7 All twelve companies will be invited to participate in a mini competition and one will be selected to deliver the batch over a phased period. The exact phasing of the academies was tested at the Open Day on the 16<sup>th</sup> December 2009. A programme setting out the phasing of the schemes is set out in appendix 2. As part of the framework contractual documentation is standardised and authorities are required to use this. The proposed timetable for the mini competition is set out below:

<b>Milestone</b>	<b>Date</b>
DCSF/PfS Approval of OBC	Jan 2010
Issue PITT to Framework Panel Members	10/02/10
Receive PITT Submissions	24/02/10
Announce short listed bidders	10/03/10
Issue ITT to Bidders (with confirmation of sample school )	18/03/10
Receive ITT Submissions	11/06/10
Announce Preferred Bidder	05/08/10
Submit Detailed Planning Application for School No. 1	03/09/10
Detailed Planning Permission Awarded for School No. 1	25/11/10
Award Design and Build for School No. 1	25/11/10
Building Completion for School No. 1	June 2012

2.8 It is proposed to use the The Skinners' Kent Academy as the lead academy upon which the construction company will be selected to deliver the Academies that form the second Batch.

### **3. Relevant Approvals**

All Academy projects follow a rigorous local and national approvals process to ensure good governance around the following issues:

- public consultation
- closure of the predecessor school;
- establishment of the Academy Trust and Academy;
- affordability of the construction programme
- permission to procure via the PfS National Framework

### **4. Summary of Lead Academy Project**

4.1 Kent County Council (KCC) submitted an Expression of Interest (EoI) to transform Tunbridge Wells High School into an Academy in June 2008. The EoI was approved by the DCSF in August 2008. The Funding Agreement between the Department for Children, Schools and Families (DCSF) and the Academy Trust was signed in May 2009. Tunbridge Wells High School closed in August 2009 and the new Skinners Kent Academy opened in September 2009.

4.2 The proposed scope of the project is to pursue a 100% new build construction solution for Skinners' Kent Academy. This will involve demolition of the existing buildings and replacing them with brand new accommodation designed to support the Skinners Kent Academy education vision.

4.3 Key characteristics of the Academy are:

- an excellent distributed leadership team
- a focus on readiness to learn, building students' confidence and self-esteem
- the setting of individual targets and use of data to monitor progress
- ensuring discipline and order
- curriculum innovation
- extensive use of ICT
- an extended school day
- a focus on individual personalised learning and the use of older students as mentors
- regular reporting to parents/carers.

### **5. Affordability position in relation to Lead Academy**

5.1 Under PfS' new Contractors' Framework, new construction rates have been agreed with the appointed building contractor's. The increase in the rates are in recognition of an increase in the specification for the buildings which will now include, within the PfS rates, such items as sprinkler systems.

5.2 The Skinners' Kent Academy has been agreed as a fully funded, 100% new build, with the exception of any unfunded Local Authority off-site works (e.g. works to the highways). PfS have advised that they will be issuing a revised Funding Allocation Model to the Authority which will provide increased funding to cover cost of the increased construction rates.

5.5 At the present time, the Local Authority does not have sight of the revised funding allowance or the construction rates to be applied to the Academy. However, it remains the understanding of the Authority that the Academy will continue to be fully funded (with the exception of any off-site works) and that this will be confirmed when the revised Funding Allocation Model is issued by PFS.

## **6. Risks**

6.1 A summary of key risks are set out below:

*Timing of the OBC for Tunbridge Wells* – the BSF team are currently discussing the timing of approvals for the Tunbridge wells and the impact of the December indices on funding.

*Sports Hall arrangements at Tunbridge Wells and Sevenoaks* – Both sites have a sports centre which was funded by an external party and managed by an external party. The BSF team is currently negotiating with Sport England and the various stakeholders to resolve this issue

*Highway improvements at Tunbridge Wells* – a public meeting was held in November to discuss the strong feeling by residents who want to see improvement to the junction leading up the school. Although residents would like to see these improvements technically it is not thought that these will be required as the school is not increasing substantially in size and the design is being developed to help alleviate traffic issues. No allowance has been made within the budget as part of the academy proposal to deliver this.

*Timing of the Academies as part of the Batch* – following the announcement of the South National Framework Contractors List it is intended to test the capacity of the market to deliver multiple academy projects at the same time. Depending on the outcome of this discussions it may be necessary to re-phase the proposed delivery of the academies

*A change of government part way through the procurement and the programme is stopped.* (in this eventuality KCC would have lost any development costs incurred) KCC continues to be in discussion with PFS and the DCSF as to any likely changes that may happen should there be a change in government with a view to ensuring that any losses are minimised.

## **7. Academy Project Development Costs**

7.1 The proposed revised team budget to meet the BSF/ Academies running costs and development costs to take forward the Batch 2 procurement and the Skinners Academy is included within the proposed authorities capital budget for 2010/11 – 2012/13.

7.2 This includes the cost of the Secondary Transformation Team. It will also be necessary to undertake development work on the other academies to enable them to open as academies in existing buildings in line with the timescales as set out in the Expressions of Interest and start feasibility work to prepare business cases for the Batch 2 Academy Projects.

7.3 The following development costs have been included within the capital programme as well as the BSF team running costs:

<b>Development costs</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>
External Advisors	1,822,000	1,410,500	1,691,000	641,000	435,500	213,000
Agency Fees	98,280	0	0	0	0	0
KCC legal	60,000	60,000	60,000	60,000	60,000	60,000
KCC property	39,000	39,585	40,575	41,589	42,629	43,694
ICT Strategy Support	0	0	0	0	0	0
<b>Total</b>	<b>2,019,280</b>	<b>1,510,085</b>	<b>1,791,575</b>	<b>742,589</b>	<b>538,129</b>	<b>316,694</b>

7.4 It should be noted that there is a verbal agreement with both the DCSF and PfS that all our external costs in relation to the Duke Of York's academy will be recovered (£455,000). We are currently seeking this commitment in writing.

## **8. Recommendations**

Cabinet is asked TO:

- 1) AGREE to submit the Outline Business Case (OBC) for the Skinners Academy to the DCSF and Partnerships for Schools (PFS) based on the affordability parameters set out in this report and upon approval of the OBC to undertake a mini competition to appoint a contractor from the National Framework to deliver the Batch 2 Academies.
- 2) AGREE to delegate authority to the Director of Capital Programme and Infrastructure, CFE and the Head of the BSF team, CFE in consultation with the Cabinet Member for CFE, the Managing Director of CFE and the Leader to proceed with the mini competition, including entering into necessary documents with PfS to enable access to the PFS National Framework within the affordability parameters set out within this report.
- 3) NOTE that a recommendation will be made to Cabinet as to the appointment of the Preferred Bidder and final confirmation will be sought to submit the Final Business Case, the affordability position and to proceed to contract award in respect of the Batch 2 Procurement and the Skinners Academy. Regular progress updates will be made to the BSF, PFI and Academies Programme Board.

## 9. Background Documents

Expressions of Interest for each Academy

## 10. Author Contact Details

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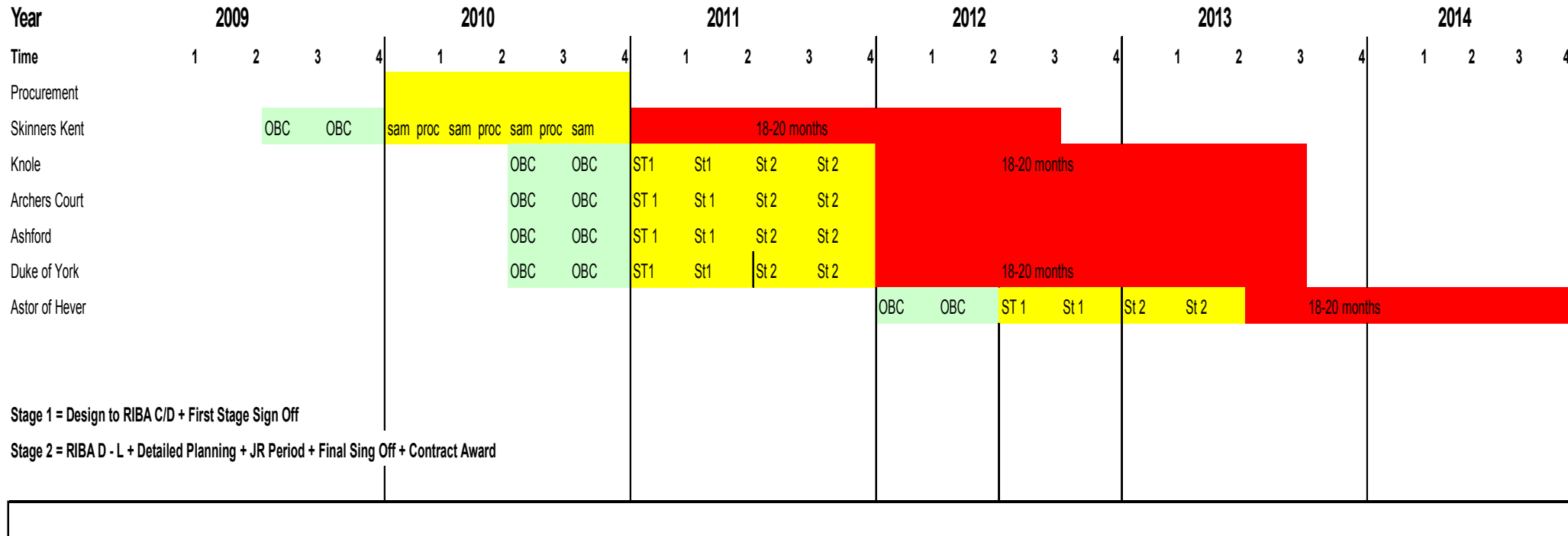
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## APPENDIX 1 SUMMARY OF ACADEMIES IN BATCH 1

Name	EoI Status	Lead Sponsor	Co-sponsors	Roll No.		PfS Funding: CAPEX (£)	Lead Sponsor Funding (£)	KCC Funding towards capital costs (£)	Academy Opening Dates		% New Build	Notes
				11-16	VI Form				Existing Buildings	New Buildings		
Tunbridge Wells Academy	Approved	The Skinners' School	West Kent College; KCC	900	250	22.5m	0	0	Sept. 2009	Sept. 2012	100	
Sevenoaks Academy	Approved	Gordon Phillips	Sevenoaks Independent Sch.; KCC	1,200	350	28.8m (ind.)	1	0	Sept. 2010*	Sept. 2012	100	*Under negotiation with DCSF. Build on Wildernesse site.
Ashford Christ Church	Approved	Diocese of Cant.	Benenden Independent Sch.; Canterbury Christ Church University; KCC	1050	250	Not Known	0	2.3m*	Sept. 2010	Sept. 2013	TBC	*From sale of primary site: to part-fund primary build. 420 primary; 26 nursery. 100% n.b. on primary element.
Astor of Hever	Approved	Not Known	KCC	750	200	Not Known	0	0	Jan. 2011	Sept. 2013	TBC*	*Recent £6m KCC investment in new build on site. Anticipated that this to be left untouched.
Archers Court	Approved	Cant. Christ Church University	Dover Grammars; KCC	750	200	Not Known	0	0	Sept. 2010	Sept. 2013	TBC	.
Duke of York	Approved	Ministry of Defence	KCC			Not Known	0	0	Sept 2010		TBC	



## Batched Academies Programme



Skinners		Knole		Archers Court		Ashford		Duke of York		Astor of Hever	
OBC Complete	Dec-09	OBC Complete	Jul-10	OBC Complete	Sep-10	OBC Complete	Nov-10	OBC Complete	Dec-10	OBC Complete	Jun-12
ST1 Complete	May-10	ST1 Complete	Mar-11	ST1 Complete	May-11	ST1 Complete	Jun-11	ST1 Complete	Jun-11	ST1 Complete	Jun-12
ST2 Complete	Oct-10	ST2 Complete	Sep-11	ST2 Complete	Nov-11	ST2 Complete	Dec-11	ST2 Complete	Dec-11	ST2 Complete	Dec-12
Con Start	Nov-10	Con Start	Nov-11	Con Start	Jan-12	Con Start	Jan-12	Con Start	Jan-12	Con Start	Jul-13
Con Finish	Jun-12	Con Finish	Jun-13	Con Finish	Oct-13	Con Finish	Oct-13	Con Finish	Oct-13	Con Finish	Feb-15