

## **Report to Andrew Edwards, Director of Property and Assets**

**August 2021**

### **Award of contract for installation of a modular teaching block at Queen Elizabeth II Silver Jubilee Special School, Horsham**

**Report by Philippa Hind, Head of Development**

**Electoral division: Horsham East**

---

#### **Summary**

The Special Education Needs Team within Education and Skills has identified a need to provide additional accommodation at Queen Elizabeth II Silver Jubilee Special School (QE2) in Horsham to provide for the 105 pupils currently on roll. Over recent years additional pupils have been accommodated by the school but without the supporting investment in accommodation. Pupil numbers have increased from 85 in 2017 to 105 in 2019.

In July 2020 the Cabinet Member for Education and Skills approved the allocation of £1.4m to fund the provision of a three-class modular teaching block with ancillary accommodation to ensure the school can offer suitable facilities for the 105 pupils currently on roll (decision [ES02\(20/21\)](#) refers). Approval is now sought to award the contract for carrying out the works.

#### **Recommendations**

The Director of Property and Assets is asked to approve;

- (1) the award of contract for the installation of a three-classroom modular block at Queen Elizabeth II Silver Jubilee School, Horsham for the sum of £1,271,718.00 to Thurston Group Limited; the tender was within the pre-tender estimate of £1.58M
- (2) the revised budget of £1,624,061.73. This is an increase of £224,061.73 as a result of an increase in construction cost, contingency and professional fees from that projected at the feasibility stage.

---

#### **Proposal**

##### **1 Background and context**

- 1.1 In order to accommodate the rise in pupil numbers at Queen Elizabeth II Silver Jubilee School from 85 in 2017 to 105 in 2019 a feasibility study undertaken to assess options for capital investment at the school indicated that installation of

a new three-classroom modular building would provide the additional basic provision necessary for the pupils on roll.

- 1.2 In July 2020 the Cabinet Member for Education and Skills approved the allocation of £1.4m for the installation of this three classroom modular block and the commencement of a procurement to fully design and cost the new accommodation (decision [ES02\(20/21\)](#) refers). As part of the decision the Cabinet Member also delegated authority to the Director of Property and Assets to enter into a construction contract with the successful provider.
- 1.3 The project to provide the three-classroom block at Queen Elizabeth II Silver Jubilee School has been procured as a below PCR threshold restricted single stage tender and a Contract Notice was published to [contracts finder](#) on 18/03/2021.
- 1.4 The value of this procurement is below the PCR threshold for works of £4,733,252. Bidders were required to complete a standard selection Questionnaire (SSQ) and Health and Safety Questionnaire, which are both scored on a Pass/Fail basis. The County Council's Multi-Disciplinary Consultant (MDC) is providing Project Management and technical services.
- 1.5 In June 2021 the Director of Property and Assets approved that the contract for the works be awarded to Axio (Special Works) Ltd at a cost of £1,249,751.00 (see Appendix); however, due to uncertainty within the market as a result of the pandemic, Axio pulled out. Consequently, it was decided to go out to tender to the remaining original five contractors to ensure a fair process and to achieve the best price. The winning tender from this procurement process was Thurston Group Limited with the overall highest score when the evaluation of the quality questionnaire and cost exercise was completed. The table in 5.1 shows the revised cost of the successful tenderer.
- 1.6 Since the decision by the Cabinet Member to approve the budget allocation the overall project budget forecast has increased and is currently showing an over-spend, this includes contingency within the construction budget (as set out in line one in the table in paragraph 5.2) and client contingency of 10%. The Cabinet Member has been made aware of this and the outcome of the new tender process. The budget will be continually monitored and if possible, kept within the original approved budget. In accordance with the Capital Programme governance requirements a change request has been submitted to increase the budget, as set out in paragraph 5.4.

## **2 Proposal details**

- 2.1 The Director of Property and Assets is asked to approve the award of contract for the works to Thurston Group Limited
- 2.2 The proposal is to provide a three-class modular teaching block with associated group room, hygiene provision, storage and external works at Queen Elizabeth II Silver Jubilee School. This will enable the school to fully deliver all aspects of the curriculum to all pupils following its expansion in 2019 to 105 pupils.
- 2.3 Construction work is anticipated to commence on site in Summer 2021 and complete in Autumn 2021.

## **3 Other options considered (and reasons for not proposing)**

- 3.1 One alternative is to not undertake the proposed expansion project but this would mean the school would remain over capacity in a non-compliant building for the number of pupils on roll.

#### 4 Consultation, engagement and advice

- 4.1 The Headteacher and Governors have been fully involved in the design and they will continue to be involved as the project progresses through the construction stage and into hand over.
- 4.2 Planning permission has been granted for this project [Application number: WSCC/010/21](#) refers.

#### 5 Finance

- 5.1 Capital consequences

	Current Year	Year 2	Year 3	Year 4	Total
	2020/21	2021/22	2022/23	2023/24	
	£m	£m	£m	£m	
Capital budget	1.4	0			1.4
Change from Proposal	0.224				0.224
Revised Capital Budget	1.624				1.624

The original £1.4m is funded from SEND grant and the additional £0.224m required will be covered from Basic Need.

- 5.2 The Table below depicts the Project Cost:

Construction Cost, including ICT, Furniture, Fittings and Equipment (FFE) and contingency of £20K included	£ 1,271,718.00
Professional Fees	£ 202,391.75
Planning application Fee	£ 2,310.00
Building Control Fee	Included in construction
Sub-total	£ 1,476,419.75
Client Contingency 10%	£ 147,641.98
Total Project Budget	£ 1,624,061.73

- 5.3 The overall project budget forecast is currently showing an over-spend, this includes contingency within the construction budget in line one in table 5.2 and client contingency of 10%.
- 5.4 To address this forecast over-spend a change request of £224K to increase the budget has been processed that includes £147K of contingency.
- 5.5 The lowest level of potential over spend is £77K as this is the amount that is over the £1.4m budget this is not part of the contingency. Value engineering will take place on the contractor partition of design in the project as part of the Design & Build contract.
- 5.6 The effect of the proposal:

(a) **How the proposal represents good value**

The tenders have been evaluated based on most economically advantageous tender (MEAT) criteria as set out in the tender documentation with Thurston Group Limited identified as offering the MEAT ensuring that the project can be met within the parameters of the site, school and design and allocated budget.

(b) **Future savings/efficiencies being delivered**

None

(c) **Human Resources, IT and Assets Impact**

None

## 6 Risk implications and mitigations

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Project scope creeps following engagement with various parties increasing costs and delaying programme.	Ensure impacts of all scope changes are understood and managed via the change control process proposed before formally approved.
Project has a number of stakeholder interest groups. If these groups are not effectively and pro-actively managed, they may not 'buy in' to scheme and projects may not reflect their needs.	Regular engagement sessions have been discussed and included within programme, stakeholders have been mapped and processes put in place to ensure effective engagement occurs.
The project value is £1,624,061.73 that has been through the procurement process, but exceeds the original funding allocation.	As the contractor has part of the responsibility through the Design & Build contract to design part of the project such as FFE and ICT, value engineering will take place and savings made where possible. The project budget will be managed closely throughout the project.

## 7 Policy alignment and compliance

## Legal Implications

- 7.1 The value of this procurement is below the PCR threshold for works of £4,733,252. However, it was procured in line with the Council's Standing Orders and the form of Contract will be reviewed by the Commercial Legal Team. There are no TUPE implications or any risk that this contract will be considered to be grant funding under the new Subsidy Control regime.
- 7.2 In relation to the procurement of the Contractor for this refurbishment work at QEII School, the procurement has been completed in compliance with the Council's Standing Orders on Contracts and Procurement and in accordance with the principles of the Public Contract Regulations 2015 (the Contract Sum is under the threshold for works contracts).

## Equality Duty and Human Rights Assessment

- 7.3 Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it. This proposal will ensure those with protected characteristics have school places near to their home.
- 7.4 Everyone has the right to respect for private and family life, home and correspondence under Article 8 of the Human Rights Act. The impact of any proposed changes on the right to family life such as a need to travel further to an appropriate school has been taken into consideration and this proposal will provide high quality Special School places close to home. Article 1 of the First Protocol is the right to education. No person shall be denied the right to education. The proposals therefore support this right as school places will be available in the local area for all children of school age.

## Climate Change

- 7.5 The employer's requirements to consider climate change proposals, acts as part of the contract documentation and building regulations that must be adhered to.
- 7.6 Sustainability considerations will be fully imbedded in the design of the new building as it develops and will support the County Council's goals in relation to combatting climate change.

## Crime and Disorder

- 7.7 Not Applicable

## Public Health

- 7.8 Not Applicable

## Social Value

- 7.9 The contractor appointment will reflect the County Council's duty under the Public Services (Social Value) Act 2012

Philippa Hind  
**Head of Development**

**Contact Officer:** Liam Hayward, Contract Officer, 03302225479  
[liam.hayward@westsussex.gov.uk](mailto:liam.hayward@westsussex.gov.uk)

**Appendix** – Original officer key decision report

**Background papers** – None

**Report to Mr Edwards, Director of Property and Assets**

**June 2021**

**Award of contract for installation of a modular teaching block at Queen Elizabeth II Silver Jubilee Special School, Horsham**

**Report by Philippa Hind, Acting Head of Development**

**Electoral division: Horsham East**

---

**Summary**

The Special Education Needs Team within Education and Skills has identified a need to provide additional accommodation at Queen Elizabeth II Silver Jubilee Special School in Horsham to provide for the 105 pupils currently on roll. Over recent years additional pupils have been accommodated by the school but without the supporting investment in accommodation. Pupil numbers have increased from 85 in 2017 to 105 in 2019.

In July 2020 the Cabinet Member for Education and Skills approved the allocation of £1.4m to fund the provision of a three-class modular teaching block with ancillary accommodation to ensure the school can offer suitable facilities for the 105 pupils currently on roll (decision [ES02\(20/21\)](#) refers).

**Recommendation**

That the Director of Property and Assets approves the award of contract for the installation of a three-classroom modular block at Queen Elizabeth II Silver Jubilee School, Horsham for the sum of £1,249,751.00 to Axio (Special Works) Ltd. The tender was within the pre-tender estimate of £1.58M

The revised budget of £1,579.652 is an increase of £179,652 as a result of an increase from feasibility in construction cost, contingency and professional fees.

---

**Proposal**

**1. Background and context**

- 1.1 In order to accommodate the rise in pupil numbers at Queen Elizabeth II Silver Jubilee School from 85 in 2017 to 105 in 2019 a feasibility study undertaken to assess options for capital investment at the school indicated that installation of a new three-classroom modular building would provide the additional basic provision necessary for the pupils on roll.

- 1.2 In July 2020 the Cabinet Member for Education and Skills approved the allocation of £1.4m for the installation of this three classroom modular block and the commencement of a procurement to fully design and cost the new accommodation (decision [ES02\(20/21\)](#) refers). As part of the decision the Cabinet Member also delegated authority to the Director of Property and Assets to enter into a construction contract with the successful provider.
- 1.3 Since the decision by the Cabinet Member to approve the budget allocation the overall project budget forecast has increased and is currently showing an over-spend, this includes contingency within the construction budget (as set out in line one in the table in paragraph 5.2) and client contingency of 10%; the Cabinet Member has been made aware of this. The budget will be continually monitored and, if possible, kept within the original approved budget. If this is not possible, in accordance with the Capital Programme governance requirements, a change request will be submitted to increase the budget, in consultation with the Cabinet Member, at the appropriate time with firm cost.
- 1.4 The project to provide the three-classroom block at Queen Elizabeth II Silver Jubilee School has been procured as a below Public Contract Regulations (PCR) threshold restricted single stage tender and a Contract Notice was published to [contracts finder](#) on 18/03/2021.
- 1.5 The value of this procurement is below the PCR threshold for works of £4,733,252. Bidders were required to complete a standard selection Questionnaire (SSQ) and Health and Safety Questionnaire, which are both scored on a Pass/Fail basis. The County Council's Multi-Disciplinary Consultant (MDC) is providing Project Management and technical services.

## **2 Proposal details**

- 2.1 The Director of Property and Assets is asked to approve the award of contract for the works to Axio (Special Works) Ltd
- 2.2 The proposal is to provide a three-class modular teaching block with associated group room, hygiene provision, storage and external works at Queen Elizabeth II Silver Jubilee School. This will enable the school to fully deliver all aspects of the curriculum to all pupils following its expansion in 2019 to 105 pupils.
- 2.3 Construction work is anticipated to commence on site in Summer 2021 and complete in Autumn 2021.

## **3 Other options considered (and reasons for not proposing)**

- 3.1 One alternative is to not undertake the proposed expansion project but this would mean the school would remain over capacity in a non-compliant building for the number of pupils on roll.

## **4 Consultation, engagement and advice**

- 4.1 The Headteacher and Governors have been fully involved in the design and they will continue to be involved as the project progresses through the construction stage and into hand over.
- 4.2 Planning permission has been granted for this project [Application number:WSCC/010/21](#) refers.

## **5 Finance**

## 5.1 Capital consequences

	Current Year 2020/21 £m	Year 2 2021/22 £m	Year 3 2022/23 £m	Year 4 2023/24 £m
Capital budget	1.17	0.79		
Change from Proposal				
Remaining budget				

## 5.2 The Table below depicts the Project Cost:

Construction Cost, including ICT, Furniture, Fittings and Equipment (FFE) and contingency of £20K included	£ 1,249,751.00
Professional Fees	£ 183,986.57
Planning application Fee	£ 2,310.00
Building Control Fee	Included in construction
Sub-total	£ 1,436,047.57
Client Contingency 10%	£ 143,604.76
Total Construction Cost	£ 1,579,652.33

The overall project budget forecast is currently showing an over-spend, this includes contingency within the construction budget as shown in line one in table 5.2 and client contingency of 10%. The budget will be continually monitored and saving made where possible to keep within current budget of 1.4M. If this is not possible a change request for the overspend can be financed from basic need, there is £46.771M of unallocated Basic Need taking into account pending approvals in the 5 year Capital Programme so any variation can be afforded within the Capital Programme. This request will be raised in consultation with the Cabinet Member, will be submitted at the appropriate time with firm costs and explanation for the increase.

The lowest level of potential overspend is £36K as this is the amount that is over the £1.4m budget this is not part of the contingency. Value engineering will take place on the contractor partition of design in the project as part of the Design & Build (D&B) contract.

## 5.3 The effect of the proposal:

### (d) How the proposal represents good value

The tenders have been evaluated based on most economically advantageous tender (MEAT) criteria as set out in the tender documentation, with Axio

(Special Works) Ltd identified as offering the MEAT ensuring that the project can be met within the parameters of the site, school and design and allocated budget.

(e) **Future savings/efficiencies being delivered**

None

(f) **Human Resources, IT and Assets Impact**

None

**6 Risk implications and mitigations**

<b>Risk</b>	<b>Mitigating Action (in place or planned)</b>
Project scope creeps following engagement with various parties increasing costs and delaying programme.	Ensure impacts of all scope changes are understood and managed via the change control process proposed before formally approved.
Project has a number of stakeholder interest groups. If these groups are not effectively and pro-actively managed, they may not 'buy in' to scheme and projects may not reflect their needs.	Regular engagement sessions have been discussed and included within programme, stakeholders have been mapped and processes put in place to ensure effective engagement occurs.
The project value is £1,579,652.33 that has been through the procurement process.	As the contractor has part of the responsibility through the D&B contract to design part of the project such as FFE and ICT, value engineering will take place and saving where possible. The project budget will be managed closely throughout the project.

**7 Policy alignment and compliance**

**Legal Implications**

7.1 Equality Duty and Human Rights Assessment

Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it. This proposal will ensure those with protected characteristic have school places near to their home.

7.2 Everyone has the right to respect for private and family life, home and correspondence under Article 8 of the Human Rights Act. The impact of any proposed changes on the right to family life such as a need to travel further to an appropriate school has been taken into consideration and this proposal will provide high quality Special School places close to home. Article 1 of the First

Protocol is the right to education. No person shall be denied the right to education. The proposals therefore support this right as school places will be available in the local area for all children of school age.

### **Climate Change**

- 7.3 The employer's requirements to consider climate change proposals acts as part of the contract documentation and building regulations that must be adhered to.
- 7.4 Sustainability considerations will be fully imbedded in the design of the new building as it develops and will support the County Council's goals in relation to combatting climate change.

### **7.5 Crime and Disorder**

Not Applicable

### **7.6 Public Health**

Not Applicable

### **7.7 Social Value**

The contractor appointment will reflect the County Council's duty under the Public Services (Social Value) Act 2012

Philippa Hind  
**Head of Development**

**Contact Officer:** Liam Hayward, Contract Officer, 03302225479  
[liam.hayward@westsussex.gov.uk](mailto:liam.hayward@westsussex.gov.uk)

### **Background papers**

None