



POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
ON TUESDAY, 27TH MAY 2014 AT 5.30 P.M.**

PRESENT:

Councillor H.W. David - Chair
Councillor S. Morgan - Vice Chair

Councillors:

L. Binding, C.J. Cuss, Miss E. Forehead, D.M. Gray, C. Hawker, G. Kirby, A. Lewis,
C.P Mann, D. Rees, Mrs J. Summers, J. Taylor.

Cabinet Members:

Mrs C. Forehead (HR & Governance/Business Manager), Mrs B.A. Jones (Corporate Services), G. Jones (Housing).

Together with:

S. Aspinall (Acting Deputy Chief Executive), M. Donovan (21st Century Schools Project Manager), C. Jones (Head of Performance and Property Services), S. Rosser (Interim Chief Executive), J. Jones (Democratic Services Manager), C. Evans (Committee Services Officer).

1. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors D.G. Carter, J.E. Fussell, Ms J.G. Jones and R. Saralis.

2. DECLARATIONS OF INTEREST

Councillors G. Kirby, D. Rees and Mrs J. Summers declared an interest in agenda item 3(1) as it relates to the Procurement Route for Proposed New Secondary School at Oakdale Plateau 3. Members were advised that as they were personal interests, they were able to take part in the discussions and voting thereon. Details are minuted with the respective item.

REPORTS OF OFFICERS

Consideration was given to the following report.

3. PROCUREMENT ROUTE FOR PROPOSED NEW SECONDARY SCHOOL AT OAKDALE PLATEAU 3

Councillors G. Kirby and Mrs J. Summers declared an interest in this item as Governors on Pontllanfraith and Oakdale Schools and Councillor D. Rees declared an interest as Chair of Unison, Blaenau Gwent. They had previously been advised that they were able to take part in the discussions and voting thereon.

The Chair advised the Committee that the report and views of officers would be presented, followed by questions from Members.

M. Donovan provided Members with an overview of the report, which recommended the procurement route for the proposed new secondary school at Oakdale Plateau 3. This report was presented to a special meeting of Cabinet on 14th May 2014, where it was deferred to this meeting for consideration prior to being referred back to Cabinet for determination.

Members noted that there were a number of key challenges and risks facing the project that require careful management in order to ensure the project is delivered within budget and on time. Specific reference was made to the procurement options for the new school to ensure flexibility to allow innovation but also to be robust in terms of contract management and cost control.

The report advised that a two-stage procurement approach was preferred utilising an external design team. This would enable early contractor involvement and therefore allow the project to maximise design and construction efficiencies, and hence benefit in terms of final cost. Whilst it is not possible to totally eliminate risk all together, the two-stage approach allows the project to minimise risk as far as possible by identifying and quantifying risk at an early stage. This helps to enhance the overall cost-certainty.

The report outlined the three options. Options 1 and 2 were put forward by Building Consultancy during the consultation process with staff and unions.

Option 1: Utilise in house design services until the award of the construction contract together with in-house project management and contract management services throughout.

Option 2: Utilise internal design services until award of the construction contract and external project management and contract management services throughout.

Option 3: Utilise external cost consultants, contract and project management and design until award of the construction contract, together with external project management and contract management services throughout.

All three options retain in-house services such as Highways and Engineering, Planning, Building Control, Procurement and Health & Safety.

The report recommended the use of the two stage approach using option 3, which involved the appointment of Technical Professional Services (i.e. cost consultants, contract managers and project managers) as the first stage and then the construction contractor and external design team as the second stage.

C. Jones (Head of Performance and Property Services) was invited to present the view of Building Consultancy on the report. Members noted that Option 1 was the preferred route, however, it was anticipated that project completion would be achievable by November/December 2016. The advantages of Option 2 were discussed and the anticipated completion was August 2016. Members noted that Option 3 was not supported by Building Consultancy as it was expected that this would result in a loss of fee income together with the externalisation of architectural design that could be provided by the in house team.

G. Enright, (Branch Secretary, Unison) was afforded the opportunity to comment on the report and highlighted concerns that the report implied that staff lacked experience. Mr Enright highlighted his concerns that the recommended option would have a negative impact on jobs and future capital building projects.

The Committee thanked the Officers for the report and verbal statements and asked each whether they felt that internal Building Consultancy had the expertise and capacity to deliver the project. M. Donovan explained that the project would be challenging and external contractors would be sought for their skills and expertise in building Secondary Schools. C. Jones highlighted that relevant expertise were available internally, and demonstrated that a complex project is currently underway in the site at St Ilans, which involves a 70% rebuild.

Members discussed the School build and refurbishment at St Ilans and the complexity of the project. The Officer stated that the new school to be built on the Oakdale Plateau would require flexibility in order to meet the initial additional capacity needs in the first three years and expertise in building a secondary school.

A member queried whether a full business case was required. Officers confirmed that one was not requested but could be provided.

Members queried whether the timescales detailed within options 1 and 2 were achievable, taking into consideration the impacts of site surveys and weather. Officers stated that it would be dependent on decision-making and confirmation of the preferred procurement option. However it was the Building Consultancy's view that Option 3 offered the greatest risk to the authority given the potential lead in time to achieve the appointment of a contractor together with the contractor's external design team.

Following detailed discussion and debate on the content of the report and recommendations, a motion was moved and seconded to recommend to Cabinet that a Business Case be developed to determine whether Building Consultancy could achieve the build as outlined in Option 1 (utilise in house design services until the award of the construction contract together with in-house project management and contract management services throughout). An Amendment was moved and seconded to recommend to Cabinet that Option 2 (utilise internal design services until award of the construction contract and external project management and contract management services throughout) be approved.

By a show of hands, and with the casting vote of the Chair of the Scrutiny Committee, the amendment was carried and as such the original motion fell. With a further show of hands, it was approved by the majority that it be:-

Recommended to Cabinet that the two-stage procurement process using Option 2 as described in Para 3.11 of the attached report be used for the proposed new secondary school at Oakdale Plateau 3.

The meeting closed at 6.52 pm.

Approved as a correct record, and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 15th April 2014, they were signed by the Chairman.

CHAIRMAN