

<b>Item No.</b> <b>47</b>	<b>Classification:</b> Open	<b>Date:</b> 19.2.03	<b>Meeting:</b> OVERVIEW AND SCRUTINY COMMITTEE
<b>Report title:</b>		THE CHARTER SCHOOL – PROJECT CHRONOLOGY	
<b>Ward(s) or groups affected:</b>		South Camberwell, Village & East Dulwich	
<b>From:</b>		Strategic Director of Education and Culture	

### **RECOMMENDATION**

1. That this report is considered by the Committee as the first stage of its scrutiny of the capital project at The Charter School.

### **BACKGROUND INFORMATION**

2. On 6 February 2003, the Committee agreed a project brief for its scrutiny of the capital project at The Charter School, as follows:

*To consider how the capital building project at The Charter School was planned, approved and monitored at Member level, and make recommendations to the Executive as to how such projects could be better managed in future, taking into account the findings of the reports arising from inquiries carried out by the District Auditor and the Director of Education.*

The Committee decided that the first stage of this process would be a report to the meeting on 19 February setting out a chronology, highlighting key dates in the project's development.

3. This report provides such a chronology.

### **KEY ISSUES FOR CONSIDERATION**

4. During 1998, the Council undertook a major review of secondary school and 16-19 provision in Southwark (the 11-19 Review). Arising from this consultation process were proposals to close the under-performing Dulwich High School for Boys in July 1999 and to establish a new mixed secondary school on its site to open in September 2000. This would involve major refurbishment of the accommodation to meet the requirements of the new school. The indicative cost, without detailed building survey work undertaken, was reported as £4,500,000. These proposals were agreed by Education and Leisure Committee on 24 November 1998. The Secretary of State approved the statutory proposals on 14 May 1999.
5. Following Committee approval and pending the Secretary of State's decision, advance planning work took place for the new school, including an initial consideration of the accommodation requirements. A Project Group was

established including Council officers, community representatives and the then Leader of the Council. An outline brief of the building adaptations was developed and SBDS and an external Quantity Surveyor were appointed. In recognition of the complexity of the work required and the tight timetable needed to achieve an opening in September 2000, an external project manager was also appointed.

6. Following the Secretary of State's approval in May 1999, the Headteacher was appointed and a temporary governing body established. This replaced the Project Group. Reports by officers continued through the normal Committee process. In consultation with the governors, it was decided to hold an RIBA competition to appoint an architect for the development as a means of achieving the most effective approach to this significant new development. Following this process, Penoyre & Prasad were appointed as project architect in June 1999 and they developed a Master Plan for the major refurbishment project.
7. The admissions number for The Charter School set by the statutory approval was 150. In response to the very considerable demand for places at the school in its first year, Education and Leisure Committee decided on 17 November 1999 to consult on an increase in the admissions number to 180. The Committee was advised that the school would be able to accommodate an additional form of entry within the premises and that no additional capital costs were envisaged. Following consultation, this increase was approved by the School Organisation Committee on 16 May 2000. The first contracts of the refurbishment scheme had by now been let.
8. The absolute priority was to meet the enormous pressure for pupil places and the significantly high expectations generated during the consultation process. The school had to open in September 2000. This priority determined that the building process and the school admissions had to be on a phased basis. The procurement of the overall scheme was therefore planned in two phases focusing on different blocks at the school. There were also separate contracts for certain specialist work such as mechanical services or asbestos removal. At this stage the continuing work to refine the cost model indicated that the refurbishment would be in the region of £7,000,000 and this was reported to Education and Leisure Committee in September 1999.
9. In view of the urgency of a September 2000 opening, the major scheme under Phase 1 involved a two-stage tender process. Under this approach, tenders were invited on the basis of provisional sums and on rates of work rather than on a detailed specification. The successful tenderer was selected on this competitive basis. This approach enabled the contract to be let and work progressed at a much earlier stage than would have been the case with a conventional contract. This initial phase of work was completed in time for the school to open on time in September 2000.
10. The sequence of contracts over the period of the project was as follows:

<b>Phase 1</b>			
Enabling Works to Gymnasium	Commencement		24.1.00
	Completion		17.4.00
Enabling works to Boiler Room	Commencement		7.2.00

	Completion	10.7.00
Blocks B and C – major works and refurbishment		
	Commencement	10.1.00
	Occupation by School	4.9.00
	Completion	12.11.00
<b>Phase 2</b>		
Block D – Asbestos removal	Commencement	30.10.00
	Completion	8.11.00
Block A – Asbestos removal and curriculum works		
	Commencement	27.2.01
	Completion	2.9.01
Block A – Major rebuild and remodelling		
	Commencement	3.9.01
	Occupation by school	9.9.02
	Completion	13.1.03
Block D – Remodelling of hall and linkways		
	Commencement	4.2.02
	Completion	23.12.02

Other than work to Block D, work has always been completed in time to allow substantial occupation by the school at the time required, although formal contract completion dates have often been later. The final phase – external works – has yet to be implemented.

11. During the progress of the scheme, reports have been submitted both to Committee and for the Director's delegated authority, noting variations in the total estimated cost of the project and seeking increases in the capital budget for the scheme. The first cost reported was in November 1998 when the proposals to establish a new school were approved by Education and Leisure Committee. At this stage, an indicative figure of £4,500,000 was reported - although it was stated that this was an initial assessment and did not reflect the detailed requirements of the new school. Reports were subsequently submitted (normally as part of a monitor of the overall Education capital programme) as follows:

15.9.99 -	Education and Leisure Committee - increase to £7M
31.7.00 -	Ratification (Education) Sub-Committee - increase to £10M
26.1.01 –	Director's Delegated Authority (to meet cost of asbestos removal and consequent additional works in Block A) - increase to £13.5M
20.11.01 –	Ratification (Education) Sub-Cttee. – increase to £17M

When funding from other parts of the capital programme (such as the Schools Access Initiative) are added, the total allocation for the project was £17,297,000.

12. The scheme was reviewed by the member-level Capital Working Group on 3 April 2002. At this point the total projected cost was reported as £17,297,000.

The Group noted that a major reason for the additional costs was the need to deal with asbestos and asked that a report be prepared on the viability of a scheme when extensive asbestos problems are revealed. In the event there was no report back as there were no further meetings of this Group. This aspect now forms part of a wider review of issues arising from The Charter project.

13. It is now indicated that the total cost of this project will exceed the cost last reported to Committee, possibly by some £4.5M. Because the final accounts for the major contracts have not been settled, it is not yet possible to provide a definitive figure for the final cost.
14. Specific actions to resolve this issue have been initiated:
  - a) Faithful & Gould Quantity Surveyors, part of the Atkins Group, have been appointed to undertake the following tasks:
    1. *Assess on best evidence available from the project quantity surveyor the likely outturn figure for all contracts.*
    2. *Advise on the resolution of outstanding matters on the Phase 1 contract for Blocks B and C, following up matters with the appointed quantity surveyor to ensure speedy settlement of the final account.*
    3. *Prepare a report outlining the reasons for the increased capital expenditure and make recommendations on the issues arising.*

This work is due to be completed by the end of February and will be reported to the Committee.

- b) The District Auditor has been commissioned to investigate costs and processes.

#### ***Policy implications***

15. There are no specific policy implications in this report which sets out the chronology of The Charter project.

#### ***Effect of proposed changes on those affected***

16. There are no changes proposed in this report.

#### ***Resource implications***

17. Although the issues covered in this report concern the Council's capital resources, there are no specific resource implications arising from this report.

#### ***COMMENTS OF THE BOROUGH SOLICITOR & SECRETARY***

18. The Borough Solicitor & Secretary notes the chronology of events detailed in this report and will provide any further information concerning the project as and when required by Overview & Scrutiny Committee.

**REASON FOR URGENCY**

19. The report is urgent as it is required to meet the Committee’s request for a report at its meeting on 19 February 2003.

**REASON FOR LATENESS**

20. This is because of the time taken to produce the report following the Committee’s timetable agreed at its meeting on 6 February 2003.

Background Papers	Held At	Contact
Committee reports:	Atkins Education, John Smith House, 144-152 Walworth Road SE17 1JL and at	John Elliott T: 020 7525 5143
Review of 11-19 Provision – Education & Leisure Cttee., 24.11.98 Education & Leisure Capital and Planned Renewal Programmes – Education & Leisure Cttee., 15.9.99	Constitutional Support Unit, 3 <sup>rd</sup> Floor, Town Hall, Peckham Road, LONDON SE5 8UB	Ian Millichap T: 0207 525 7225
<p>Consultation on proposed increase in The Charter School Admissions Number – Education &amp; Leisure Cttee., 17.11.99</p> <p>Education Capital Strategy – Ratification (Education) Sub-Cttee., 31.7.00</p> <p>Education Capital Programme – Ratification (Education) Sub-Cttee., 20.11.01</p> <p>Review of Significant Schemes – Capital Working Group, 3.4.02</p> <p>Proposed Increase in The Charter School’s Admissions Number – School Organisation Cttee., 16.5.00</p>		

<b>Lead Officer</b>	Dr. Roger Smith, Strategic Director of Education and Culture	
<b>Report Author</b>	John Elliott, Head of Asset Management, Atkins Education	
<b>Version</b>	Final	
<b>Dated</b>	17 February 2003	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	No
<b>Executive Member</b>	No	No
<b>Date final report sent to Constitutional Support Services</b>	17 February 2003	