



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	<b>Decision to extend the existing contract with Valuegrade Ltd for nursery expansion works at St. Edwards Church of England School</b>
<b>Decision Maker:</b>	Ian Saxby, Assistant Director of Housing, Property and Assets
<b>Cabinet Member:</b>	Councillor Oscar Ford, Cabinet member for Children Services
<b>SLT Lead:</b>	Tara Geere, Director of starting well
<b>Report Author and contact details:</b>	Nicola L. Prandini Design and Architecture Manager, CDCE <a href="mailto:NicolaLorenzo.Prandini@havering.gov.uk">NicolaLorenzo.Prandini@havering.gov.uk</a> 01708 432142
<b>Policy context:</b>	Supports educational outcomes within the broader opportunities context of the Havering Vision
<b>Financial summary:</b>	The report seeks authorisation to extend an existing contract for the value of £370,000, fully funded by Children Services Early Years Fund.
<b>Relevant OSC:</b>	Children & Learning Overview and Scrutiny Committee
<b>Is this decision exempt from being called-in?</b>	Yes

### The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, the Assistant Director of Housing, Property and Assets is recommended to approve:

The extension of the contract with Valuegrade Ltd, the current Design and Build Contractor for the establishment of a SEND unit at St. Edwards Church of England School, to undertake additional works for the expansion of the nursery. The nursery expansion is valued at approximately £370,000, fully funded by the Children Services Early Years fund.

### AUTHORITY UNDER WHICH DECISION IS MADE

#### Part 3 of the Council's Constitution

#### 3.4. Powers of Second Tier Managers

##### General powers

- (a) To take any steps necessary for proper management and administration for their allocated portfolios.

##### Contract powers

To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000

### STATEMENT OF THE REASONS FOR THE DECISION

#### Background

On 21<sup>st</sup> July 2022, Valuegrade Ltd was appointed through a single-stage selective tendering process for the original contract involving the establishment of a new SEND unit. The form of contract is a Design and Build 2016 DB16 with Council Amendments. The Contractor has been performing very well on site.

#### New Requirements and Estimated Cost

The new requirements involve expanding the nursery provision at the same school site, with an estimated cost of £370,000, fully funded by the Children Services Early Years fund.

The new works to supply to these requirements include the following:

These works are estimated at £370,000, and these are broken down as it follows:

- Works to extend the Nursery £ 290,000
- Contract contingency £ 80,0000
- Total contract variation: £ 370,000

**Non-key Executive Decision**

**Rationale for Additional Works**

The need for the nursery expansion arose during the ongoing contract works, aligning with changes in Children Services' requirements.

The nursery class is full to capacity and the school has a waiting list and unable to fulfil parents' requests for places at the nursery.

In March the Chancellor announced a significant expansion of the free early education entitlements offer. Phase 1 -15 hours of free childcare for working parents of 2-year-olds from April 2024.

The expansion will help to meet the increasing demand for early years and childcare places from working parents.

In summary these expansion works are needed to implement an expansion of the nursery class at St Edward's Church of England Voluntary Aided Primary School from 30 Full Time Equivalent places to 45 fte places from 1st January 2024.

**OTHER OPTIONS CONSIDERED AND REJECTED**

**Option 1:** Initiating a tender process for the Nursery Expansion with a New Contractor is less favourable, as it entails higher immediate costs and carries potential long-term financial implications. This option introduces elevated costs, heightened risks, and the prospect of project disruptions so for this reason, it was rejected..

**Option 2:** Do-Nothing approach, maintaining the current scope, preserves the current financial status but foregoes the opportunity for expansion. This choice prioritizes stability in the short term but lacks the potential long-term benefits associated with the nursery expansion. Hence, this option was also rejected.

Therefore, appointing Valuegrade Ltd for the Nursery Expansion stands out as the most cost-effective solution, capitalizing on existing fixed costs and presenting the most favourable outcome based on the established assessment criteria.

**PRE-DECISION CONSULTATION**

None

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Nicola L. Prandini RIBA

Designation: Design and Architecture Manager, CDCE

Signature:

Date: 26<sup>th</sup> February 2024



Non-key Executive Decision

**Part B - Assessment of implications and risks**

**LEGAL IMPLICATIONS AND RISKS**

The risk of legal challenges associated with extending the existing contract with Valuegrade Ltd for the nursery expansion is assessed as low.

Contractually, there are no anticipated risks in extending the agreement to incorporate the additional works.

The current contractual framework is deemed suitable for such an extension, and the likelihood of legal disputes arising from this modification is considered minimal.

**FINANCIAL IMPLICATIONS AND RISKS**

The Council is a local authority within the meaning of Section 579 of the Education Act 1996, as amended. Under section 14 of the same Act the Council has a duty to ensure that there are, “sufficient schools for providing primary and secondary education in [its] area”; and sufficient in this context means in respect of “number, character and equipment to provide for all pupils the opportunity of appropriate education”.

Additionally, the Council also has the general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do, subject to any statutory limitations.

Section 111 of the Local Government Act 1972 allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, or through its general power of competence.

The proposed extension of value is below the applicable public procurement threshold for works and therefore it is not subject to the full rigours of the Public Contracts Regulations 2015 (PCR 2015). However, it is caught under the regime of the Contract Procedure Rules (CPRs) as set by Havering Council’s Constitution and specifically Rule 19.1 (ii). The Council intends to extend the contract for a period of 1 month.

For the reasons set above, the Council may extend the current contract with Valuegrade Ltd.

**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are none

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

An impact assessment has already been carried out for the main decision.

**ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

An impact assessment has already been carried out for the main decision.

**Non-key Executive Decision**

**BACKGROUND PAPERS**

None

**APPENDICIES**

None

Non-key Executive Decision

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name: Ian Saxby

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date: 26<sup>th</sup> February 2024

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_