

Meeting:	Cabinet
Meeting date:	Wednesday 27 November 2019
Title of report:	To approve a revised business case and budget for the expansion of Marlbrook Primary School within the approved capital allocation
Report by:	Cabinet member commissioning, procurement and assets

Classification

Appendix 3 is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is necessary to exempt the costs as Herefordshire Council deem them as commercially sensitive at this point in the pre-construction contract stage and that the public interest is outweighed because knowledge of these costs could impact subsequent stages of the contract.

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Redhill;

Purpose and summary

To approve a revised business case and budget for the expansion of Marlbrook Primary School within the approved capital allocation, to accommodate the additional pupils admitted from 2014 in response to rising numbers in South Hereford and to meet parental preference.

The revised business case is attached as Appendix 1.

Provision of £6.141m is included within the approved capital programme to complete the expansion of Marlbrook Primary School from 420 to 630 statutory age pupils, increasing its planned admission number from 60 to 90. Following authorised expenditure of £446.5k on feasibility and initial costs, on 10 May 2018 Cabinet approved an extension to the school to enable its permanent expansion from two to three forms of entry and provision of additional car parking and associated works to fulfil planning and transport requirements, at a cost of not more than £4,688,500 to be delivered through a design and build contract. Design work has now reached Royal Institute of British Architects (RIBA) Stage 4 – detailed design – and a detailed cost plan based on sub-contractors' tenders has been produced by the principal contractor confirming that scheme costs exceed the budget approved by Cabinet but remain within the overall capital programme provision for this scheme. This report seeks approval of the revised business case and authority to spend up to the sum of £6.141m in the capital programme – being an additional £1.006m. This revised sum covers the following which was part of the original specification but have now been fully costed:

- feasibility work undertaken and completed in 2017
- modification of the Green Croft building to accommodate the school's early years provision which was completed in 2018
- internal modifications to the main school building to provide a new Reception Year classroom, a new staffroom, additional car parking and new netball courts which were completed in Summer 2019
- the design work for the main construction project done to date
- the cost of the main construction contract – for work yet to be done
- the council's project management costs and professional services
- the council's contingencies

Marlbrook is a popular and successful school, rated outstanding by Ofsted, located in Redhill ward in Hereford. There has been growing demand for school places across the south of the city for some years, and without the additional capacity there would be insufficient places to meet this demand. The school was asked to take a larger intake in 2014 – 90 instead of 60 – and has done so every year since. Until now the larger numbers have been accommodated in temporary accommodation. The purpose of the current project is to ensure that all children in the school are accommodated in permanent buildings.

Approval of the revised business case and budget will enable the extension works to be delivered to the recommended specification and standard set out in the revised business plan. This comprises providing six new classrooms, a new hall, and ancillary spaces, including facilities to make the school fully accessible, such as a hygiene and physio room, a larger remodelled kitchen, and required external works to meet planning requirements, including the requirements of Sport England for replacement netball courts. It also includes provision for furniture, fittings and equipment, and the council's project management costs and contingencies.

Recommendation(s)

That

- a) the revised business case for the expansion of Marlbrook Primary School at Appendix 1 be approved;**
- b) a revised scheme cost of up to £6,141m be approved (being an additional £1.006m to the previously approved cost); and**

- c) the director for children and families be authorised to take all operational decision necessary to implement the above recommendations within the agreed budget.**

Alternative options

1. The project could be abandoned in its entirety and/or further temporary classrooms could be provided to accommodate growing pupil numbers instead of a new school building. This is not recommended as current accommodation does not meet the Department for Education's Building Bulletin 103 Area Guidelines for Schools recommendations, and the Schools Capital Investment Strategy aims to remove temporary classrooms.
2. The council could retender the construction works to see if the works could be obtained at a lower cost. The report at Appendix 2 produced by independent cost consultants appointed by the council to advise on the costs of the project and test value for money, concludes that the price offered by the contractor provides value for money for the council.
3. The costs have been challenged and significant reductions have been obtained as a result. Re-tendering works valued in excess of £4m would take several months to complete and would lead to longer timescales for the delivery of the project. Such a process would not necessarily deliver the works at lower cost, based on the independent value for money report at Appendix 2.
4. The council could request additional value engineering proposals from the principal contractor to reduce costs. These would be likely to entail some reduction in the specification of the new extension and other works. The most likely such proposal would be to do no works to improve the kitchen, which would compromise the school's ability to produce hot meals on site.
5. The council is not yet in contract with the principal contractor, so there is scope for agreeing changes to the schedule of works. However the schedule of accommodation to be delivered is based on the Department for Education's Building Bulletin for Schools 103. To significantly deviate from these standards would result in delivering a building that did not meet the recommended specification, or the principles set out in the Schools Capital Investment Strategy.

Key considerations

6. The full justification for the project was set out in the report to Cabinet on 10 May 2018. (<http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5134>) This report will briefly summarise the background, and will focus mainly on the current position regarding the current business case and full cost of delivering the extension to the school. Appendix 1 sets out the Business Case updated in the context of the developing design and cost plan.
7. Marlbrook Primary School is a popular and successful council maintained community school located in the south of Hereford. It is rated outstanding by Ofsted and is also a teaching school. Teaching schools are good or outstanding schools that play an important role in a school-led system, working with others to provide high-quality training and support for school improvement in their local area. The school was a two form entry school with a planned admission number of 60 pupils per year, but has been consistently oversubscribed since 2011. The council requested the school to take 90 pupils in 2014, and it has taken larger year groups each subsequent year. Its planned admission number is now 90, but the school does not have a permanent building to accommodate this number. Demographic

growth in the south of the city has led to an increased demand for school places across the area. This is expected to be sustained in coming years according to the council's population and school place forecasts.

8. In line with the council's School Capital Investment Strategy (SCIS) principles, the council has previously supported the school in its expansion plans through making provision in the 2015 and 2016 capital programme for a permanent and temporary classroom respectively to enable the school to continue to admit up to 90 reception children each year. These interim works were undertaken under separate decisions. Further works were undertaken in summer 2018 to convert the Greencroft building for use as the school nursery, and works were undertaken in summer 2019 to enable space in the existing main school building to be converted for use as a new Reception Year classroom, and a new staffroom. When approving these arrangements, it was noted that a longer term permanent build solution was required for 2018 onwards. The current project is delivering on that plan.
9. The council's capital programme has included provision to enable Marlbrook to become a full three form entry school for some years. The sum of £6.811m was added to the capital programme by council on 26th January 2018, and revised to £6.141m by council on 13 July 2018. This sum was based on a provisional estimate of costs of the construction project. The total sum also covers earlier interim works that have been delivered to accommodate previous year groups, as well as the proposed major project to provide a substantial permanent new extension to the school.
10. The report informing cabinet's decision in May 2018 recognised that costs were not yet final. The project cost approved in May was additional to previously approved expenditure of £446.5k on feasibility and interim works.
11. The cabinet decision of May 2018 authorised the use of a design and build contract through a procurement framework. Design and build means that a single contractor is procured who is responsible for designing the building and then constructing it. The requirements set out by the council when procuring the contractor included a schedule of accommodation comprising the required floor area of the spaces required, as well as details of the performance of the building. This specification is closely based on the Department for Education's Building Bulletin 103, "Area Guidelines for Schools". The advantage of this approach is that only one procurement process is required, rather than separate processes for design and subsequent construction. As the same contractor is responsible for both, the design takes the proposed construction system fully into account, ensuring "buildability". At the end of the design stage the council can decide whether to award the works contract to that contractor. The Constructing West Midlands procurement framework was used. This framework is run by a consortium of public authorities in the region and provides a time and cost efficient way of procuring a main contractor for major projects. The contractor selected was Morgan Sindall plc, who in turn appointed Quattro Design Ltd as project architects. The contractor was appointed in September 2018.
12. The Royal Institute of Architects project stages have been followed in this project. Morgan Sindall and Quattro worked closely with the council, in consultation with the school, to develop a design that met the specification set out in the procurement documents.
13. Morgan Sindall delivered the initial works required for September 2019, which include remodelling the existing school building to provide a new Year 1 classroom, and creating a new staffroom, to replace the previous staffroom which was located in a temporary modular building. A new car park has been provided, which will be required when the school has fully expanded to reduce parking on the nearby residential streets, and a new set of netball courts to replace those that will be lost under the footprint of the new extension. These

works were approved, by a record of officer decision using delegated authority in the May 2018 decision, to a value of £800k which has been spent from within the capital programme allocation for the overall project.

14. Detailed cost plans were provided at RIBA Stages 3 (developed design) and 4 (technical design). The resulting cost plan developed during this process as a result of clarification of the specification – particularly in respect of the school kitchen and site specific issues was higher than that indicated as Stage 0 (strategic definition).
15. At Stage 4 a detailed design in accordance with the recommendations set out in the Department for Education’s Building Bulletin 103 “Area Guidelines for Schools”, and taking into account site issues such as topography, and the need to reduce impact on the work of the school during the construction period, was completed.
16. The contractor was asked to propose value engineering solutions to bring the total cost down, which they did. The majority of these were accepted by the council with the support of the school. One area which was problematic was the proposal to leave the current kitchen unchanged. This could compromise the school’s ability to continue to prepare hot meals on site for increased numbers of children in the longer term.
17. It was also observed that some of the contractor’s enabling works were more expensive than originally envisaged. This led to the report attached at Appendix 2 to challenge and scrutinise these costs.
18. Successive cost plans were provided by the contractor. A “Stage 3” cost plan is the contractor’s estimate of the likely cost of the works. A “Stage 4” cost plan is one based on actual tendered costs from sub-contractors. The work is broken down into “packages”, such as ground works, steelworks, roofing, mechanical and electrical, each of which is tendered to sub-contractors with the appropriate trade expertise.
19. The principal contractor has now tendered the construction packages and a Stage 4 cost plan has been developed based on the tenders received. This has been done on an “open book” basis, meaning that the tender costs have all been shared with the council, as client for the project. The council appointed an independent firm as quantity surveyor and cost consultant. The report on the cost plan and value for money is attached at Appendix 2. It concludes that the cost plan including all contractor’s tier 1 risks provides value for money for Herefordshire Council under the terms of the Constructing West Midlands Framework. (Tier 1 risks are the responsibility of the contractor.)
20. Works planned for delivery in school year 2020/21 include the provision of a new extension comprising six new classrooms and associated shared learning spaces, new staffroom facilities, a new hall, improved and enlarged kitchen space enabling continued production of hot meals on site, new hygiene and first aid rooms, new space for confidential conversations with pupils and parents, and improved pedestrian and cycle access. The building will be fully accessible, and will benefit from photo-voltaic solar panels. The areas around the new extension will be landscaped and made fit for use for circulation and outdoor play. Works to the car park and netball courts will be completed, satisfying planning requirements in respect of minimising impact on the local road system, and ensuring that sport provision meets the expectations of Sport England. At the conclusion of the project all the current mobiles will be removed.
21. The current kitchen in the school provides a breakfast club for the school and lunches for Marlbrook and three other neighbouring schools. It is operating as a production kitchen even though it is below the recommended size for a servery kitchen for a two form entry

school. An increase in pupil numbers at the school puts added pressure on the kitchen to deliver within the space available and inhibits the ability for all children to eat lunch together in one sitting. The new design addresses these issues and provides for a reduced specification production kitchen which will allow the school to provide hot meals for all children. The school currently uses an external catering company who operate from the kitchen and provide the meals required. The production kitchen will be used simply for producing hot food for the school and two other schools nearby: Blackmarston Special School which is next door to Marlbrook and has no kitchen, and Little Dewchurch Primary School which is also led by the headteacher of Marlbrook, and will not generate any additional income.

22. Some costs relating to access arrangements to the part of the school site where the extension will be built included in the Stage 3 and Stage 4 cost plans were higher than expected. The school has two entrances from the public highway. It had been thought during the design stage that the northern entrance to the school would be used by the contractor, as it is closest to the development site, however as more detailed investigations progressed it became apparent there were significant difficulties with this route:
 - The access point is the main entrance to the school and the Merry-Go-Round Day nursery and has heavy use by children, staff, parents and community users
 - The haul road would have to cross two car parks used by the school, including one owned by Herefordshire Housing
 - Deliveries to the school kitchen use the same route via the northern entrance
 - The school minibuses are parked and operate from that entrance
 - There are five mature oak trees close to the route which could have been damaged by the proximity of heavy construction vehicles
 - A retaining wall between the route and the school building may not have been able to support the heavy load
23. This meant the contractor had to find another route using the southern entrance to the site and passing over the school field. This was a more expensive option because a longer run of temporary roadway is required and this added to costs, however it seems acceptable in that it provides a better solution because it is much less disruptive to the school, and provides clearer, safer, and more manageable separation of the school and the contractor's sites. The rationale for this was tested by Engie, the Council's development partner with considerable experience of major construction projects, who agreed that the southern route was preferable. The cost of the associated works have been tested and are accepted as reasonable.
24. As well as the design work initial preparatory constructions works to date have been instructed under letters of intent to complete works to the value of £744k prior to agreement of a contract for the full project. The decision relating to these works included a contingency and fees and approved spend up to £800k.
25. Contractors' preliminaries relate to the cost of on-site management and facilities and are generally charged at a weekly rate. The original plan was that the whole project would be implemented as a single 52 week programme with various works being delivered in parallel e.g. the haul road being provided whilst the car park was created. As a result of the need to carefully scrutinise the costs of the overall works these overlapping stages have to be delivered sequentially which will result in the programme being extended to 58 weeks which will incur additional costs not included in the cost plan currently provided by the contractor. These have been projected at £71k.

26. Although the value engineering proposals put forward by the contractor were accepted, the full value of these works have to be offset against the cost of the re-design, therefore the overall costs for the design stage will have increased. These have been projected at £28k.
27. The initial works delivered over the summer in readiness for September 2019 identified a number of areas that required additional funding, these included the replacement of a lintel in the new staffroom, addressing soft spots in the tarmac and bringing the netball courts up to Sport England standards. These additional costs equating to £17k, have been covered by the contingency in the decision covering the letter of intent.
28. These additional costs will result in the construction design and build cost increasing from that proposed by the contractor in their latest cost plan from £4.445m to £4.544m.
29. The contractor has currently left the site pending a decision of cabinet on the requested approval to spend and receipt of an agreed cost plan which would enable the council to award the contract to them.
30. The cost plan has increased since the current budget was approved by cabinet in May 2018 but costs are still within the overall sum added to the capital programme by council. A detailed cost summary is provided in exempt Appendix 3.

Capital Cost of Project	Current Budget Agreed	New Budget Request
	£000	£000
Phase 1		
Thinking Buildings Feasibility Design (2017)	146.5	146.5
Phase 1 Greencroft remodelling (2018)	300.0	300.0
Phase 2 (Main Extension)		
Construction D&B	4,200.0	4,445.5
Additional Construction D&B Costs From Initial Works		99.0
Procurement Framework Fee	10.0	10.0
Other Costs	478.5	1,140.0
Total	5135.0	6,141.0

Community impact

31. Marlbrook Primary School is highly valued by the local and surrounding community. It provides high quality education for its children, whilst also supporting adult learning, including for the parents of the school's children. Marlbrook was judged outstanding by Ofsted in 2009, and because of its very positive report no further inspection has been required since then. The school is directly involved in early years' provision and works closely with the children's centre and private day nursery based in the Greencroft building. All these activities support the council's Corporate Plan priority and Children and Young People's Plan objective of keeping children and young people safe and giving them a great start in life. Some of Marlbrook's pupils are looked after children. The improved and extended accommodation will provide these children, for whom the council is corporate parent with enhanced high quality learning environments. The project will include photo voltaic panels to help deliver carbon management plan aims.

32. The proposal to expand Marlbrook has been prioritised according to the principles set out in the Schools Capital Investment Strategy.
33. Marlbrook previously had an admissions number of 60 – equivalent to two forms of entry. The school agreed to expand its admissions number to 90 to accommodate more pupils in 2014. Subsequently, its admissions number has been formally increased to 90. It has filled its reception class to capacity each year. Marlbrook continues to be a school in high demand and the surrounding primary schools are also experiencing growth in the number of pupils in their early age groups. Previous growth at Marlbrook has been accommodated mainly by the use of mobile classrooms. These have been jointly funded by the school and the council. The intake of future years' reception children will require additional classrooms and the best way of providing this is by permanent expansion of the existing building.
34. Concerns expressed about vehicle management within the site, and the impact on the narrow public highway, are recognised. The surrounding residential roads are relatively narrow, and can experience a high volume of parking by parents and other users of the school site, particularly at the start and finish of the school day. Additional permanent parking has been constructed as part of the works already completed by Morgan Sindall under the letter of intent. The council will work with the school on further developing travel plans to minimise the impact of vehicles either on the school site or the surrounding roads.
35. The works will require access by the contractor's vehicles. This will be managed by the contractor under the supervision of the council with a view to minimising the impact of the construction project on local roads.
36. Responsibility for the on-site health and safety during the construction phase of the project lies with the contractor. The contractor will need to conform to the CDM 2015 Construction Design and Management Regulations, under which they will need to produce the necessary method statements and risk assessments for the work undertaken. The site will be kept separated, as far as possible, once work has started, and will be kept secured at all times to prevent unauthorised access.
37. Marlbrook are committed to working together to contribute to the healthy growth and development of all their children. As part of the new school design a new bike and scooter shelter has been included to encourage as many new learners to walk to school. The council may have the opportunity to apply for a travel fund grant next year which, if successful, will be put towards the project.
38. As part of the planning application the contractor completed a travel plan for the school. It seeks to reduce car use, encourage alternative transport choices and reduce the need to travel. The ultimate aim of the plan is to influence long-term changes in travel behaviour by providing the right package of measures that promote and value sustainable transport initiatives. The designs have been tailored to the needs of the existing and future users of the site. The school is committed to reducing car use and promoting sustainable travel to improve the safety and health of the children. The school has an award winning travel plan already and is used to implementation of such plans successfully.

Equality duty

39. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
40. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation. Marlbrook Primary School serves communities where there is a relatively high percentage of children with special needs. The new building will be fully compliant with disability legislation and take into account the needs of pupils and users with protected characteristics.

Resource implications

41. £6.141m is included in the approved capital programme for the expansion of Marlbrook.
42. The funding has been secured as follows:

Corporate funding	£5,091,000
Basic Need allocation (DfE)	£1,000,000
Surplus funding from previous Marlbrook Primary School schemes	£50,000
Total available for main project	£6,141,000

43. £210k was originally committed to the feasibility works for the main extension. Of this £146.5k was spent on developing options, which provided the basis for the specification of the project. The remaining £63.5k was added to the budget for the design and build.
44. Cabinet agreed in January 2018 to approve £300k to undertake the interim works to provide the additional classroom for September 2018 by modification of the Greencroft building.
45. Cabinet agreed in May 2018 that, subject to securing planning consent, an extension to Marlbrook Primary School to enable its permanent expansion from two forms of entry (60 pupils per year group) to three forms of entry (90 pupils per year group) and provision of additional car parking and associated works to fulfil planning and transport requirements, be approved at a cost of not more than £4,688,500, and to procure a design and build contract from a single contractor. The director was authorised to implement the scheme within the approved budget, subject to obtaining planning permission.
46. Ongoing revenue costs will be managed through the schools revenue budget so there will be no impact on the council's revenue budget in future years. The expected spend lies within the approved capital allocation. The full budget of £6.141m is funded by £1m Basic Needs Grant and £5.141m corporately funded borrowing that is allowed for in the MTFs and managed through the corporate treasury management budget.

Capital Cost of Project	Previous Years	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000
Phase 1					
Thinking Buildings Feasibility Design (2017)	146.5				146.5
Phase 1 Greencroft remodelling (2018)	218.5		81.5		300.0
Phase 2 (Main Extension)					
Construction D&B	120.0	1,940.0	2,385.5		4,445.5
Additional Construction D&B		99.0			99.0
Procurement Framework Fee	2.0		8.0		10.0
Other CostsCorporate PM Fees	40.0	60.0.0	1,040.0		1,140.0
			423.5.0		50
Total	527.0	2,099.0	3,515.0		6,141.0

Funding Streams	Previous Years	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000
PWLB Borrowing	153	1,473	3,515		5,141
Grants	374	626			1,000
Total	527	2,099	3,515		6,141

47. It is not possible to enter into a full building contract until the detailed design and cost plan are agreed, as the detailed design plans themselves form part of the contract. Initially the contractor was prepared to work “at risk”, but at a certain point it becomes necessary to issue letters of intent to assure the contractor of payment for works undertaken.
48. Under the provisions of the cabinet decision of May 2018 the director for children and families, with the advice and approval of solicitors working to the monitoring officer, signed records of officer decision to issue two letters of intent: one on 24 September 2018 authorising expenditure of £250,000 for design works; and one on 30 May 2019 authorising expenditure of £800,000 authorising the construction works for delivery for September 2019 including the remodelling of the existing school building to provide a new Year 1 classroom, a new staffroom, and providing a new car park and netball courts. The decisions taken to authorise work ensured that necessary accommodation was ready for occupation at the start of Autumn Term 2019, prior to agreement of the full construction contract. This work will be incorporated into the full contract, and is not in addition to it.
49. It should be noted that the contractors costs include “preliminaries”, which cover their management costs including the establishment of a site office and welfare facilities, as well as the staff costs of the site manager and other professional staff assigned to the project. There is a risk that “preliminaries” may be charged to the council above the total value of the letters of intent if the council were to decide not to proceed with the full project.

50. The project board has taken account of all of the 13 recommendations in the audit of the Blue School House project. This has included engaging an independent cost consultant to challenge and scrutinise the principal contractor's cost plan. The independent cost consultant has advised the project throughout, including taking part in the financial and quality evaluations of the tender, and providing a value for money report on the contractor's cost plans. Appendix 2).
51. The project board has included representatives of the client directorate – children and families – with a technical project manager from property services, a project manager from the corporate programme team, a representative from finance, and (as required) representatives from procurement, governance, highways and other professional services. During the design development and initial construction phase the project board was joined by the principle contractor and architects (as senior supplier) and by the school headteacher and business manager (as senior user). The project board has reported to the Children and Families capital programme board, chaired by the director, and including the chief financial officer, and senior representatives of property services, and planning. All instructions to the contractor have been issued through the technical project manager. All formal decisions such as the records of officer decision relating to the letters of intent have been taken in accordance with the constitution of the council and any relevant delegations, with the advice of solicitors reporting to the monitoring officer.

Legal implications

52. The intention now is to enter into an NEC 4 Design and Build Contract using Option A (Priced with Activity Schedule). A priced contract gives the council a lump sum price for the works. The lump sum price may change if a "compensation event" occurs or the council varies the works. Compensation events are events which are generally recognised as not being the fault of, or capable of being managed by, the contractor.
53. An activity schedule describes the works and activities that a contractor must perform, in sufficient detail to allow the contractor to price the work. An activity schedule may be prescriptive, but can also allow the contractor considerable freedom. In contrast a "traditional" bill of quantities requires the contractor to price each element of works.
54. Under the priced options, the contractor is paid at tendered prices for the work it has done. The contractor carries the cost risk, other than those risks allocated to the council under the contract and the financial and time effects of a compensation event.
55. The council entered into a letter of intent with Morgan Sindall on 17th January 2019 which entitled Morgan Sindall to be paid up to £208,537 in relation to early works which were deemed necessary to protect the overall development programme. This letter was extended on 24th May 2019 to cover an extended scope of works and the amount recoverable increased from £208,537 to £744,485.

Risk management

56. The following table explains the risk should the project not receive the proposed variation to the budget and have the ability to award phase two of the design and build contract.

Risk / Opportunity	Mitigation
Programme Delay	Property Services are working with the contractor to firm up the construction programme. This will be confirmed through the process of agreeing any contract. The school is fully aware of the current status of the project and implications for the construction project. The school has its own contingency plans in place.
Final costs are higher than the decision to spend	The costs will be monitored at all stages and value engineering applied, where possible, to realise the project within budget. A client contingency has been allocated to cover any unexpected items of expenditure. The council has employed an independent cost consultant and is working with property services to satisfy that the contract being proposed is value for money. Cost certainty will be much greater once a contract has been entered into.
Council reputation if we do not award the contract	The council has engaged an independent cost consultant who is working with Property Services to verify that the contract being proposed provides value for money.
Stakeholder Management - Schools expectation	The council is managing the expectations and project communications with the school directly. Regular meetings are held with the headteacher and business manager.
Insufficient teaching space available for September 2020	There is a potential to temporarily use existing building space on site, although the spaces may not be large enough to accommodate an entire class. More than one space could be used per class at an additional cost of a teacher or teaching assistant to cover the extra spaces
Daily disruption in the school for longer than expected the more the project is delayed	The head teacher at the school is working with staff and the school community to make sure the transition of the new build runs smoothly and causes as little disruption as possible for the operating school. The head is working with the site manager daily to make sure the school runs smoothly and the build has little or no impact on the learning environment. The works conducted in the summer of 2019 went smoothly, with a high degree of cooperation between the school, the contractor and their sub-contractors.

Other users of the site such as the nursery and residents' association will be affected by the work

These parties have already been consulted about the proposed extension and will continue to be kept informed as the scheme progresses. The contractor will be required to ensure that the continuing operation of day to day activities of tenants and partners is not disrupted through regular site liaison meetings. Major plant movement and deliveries will be required to occur at times which do not impede the operation of the school, nursery or other site users

Consultees

57. Some consultation work was done to inform the May 2018 decision. This included school headteachers, staff and governors, the local ward member (who is supportive of the scheme), and members of the community. The contractor facilitated an exhibition and drop-in session as part of the planning process, and the designs for the new building have remained on display in the school foyer.
58. The main comments received referred to the improved provision that would be provided for the school and potential difficulties in terms of an increase in car usage and parking.
59. All political groups, including the local ward member have been consulted on the revised proposals. The True Independent group replied to confirm their support for the proposal, and stressed the importance of rigorous cost control.

Appendices

Appendix 1 – Revised Full Business Case

Appendix 2 – Independent Cost Consultant's Report

Appendix 3 – Marlbrook Detailed Cost Summary (Exempt)

Background papers

None identified