

Appendix 1

ODR: Springfield School: Dean Row – Cost increase timeline and explanation.

The following summary provides key information of key milestones and dates as well as a breakdown of how the additional funding has been identified

March 2021 the service produced the initial high level business case for the Capital Board requesting the transfer of the Dean Row asset for the purpose of providing a satellite school for Springfield School. This was in response to the urgent need to provide additional SEN school places.

At this stage the anticipated cost was £3m, this was based on previous and similar schemes and estimates at this early stage. In this paper, we highlighted that if the proposal was approved then a feasibility and necessary surveys would be undertaken to assess the viability of the building and site.

July 2021 – Children and Families Committee

Report submitted and approved with the following resolutions: -

The Children and Families Committee to:

- 1.1. Approve the proposed expansion of Springfield School (by way of a satellite site) from 170 pupil places to 250 places (an increase of up to 80 places) from September 2022.
- 1.2. Approve the procurement of a contract of works and authorise the Director of Children's Services to award a construction contract to facilitate the provision of additional places at Springfield School (satellite site) together with any other agreements associated with or ancillary to the contract.
- 1.3. Recommend that full council approves a fully funded Supplementary Capital Estimate of £3m to be included as a named scheme within the Children and Families Capital Programme, which is being funded by capital grants.

The initial feasibility report was issued late July 2021; at this stage, an anticipated cost of £4 million was quoted, but we anticipated that this could be reduced via the value engineering exercise.

As the design has progressed, more detailed survey work was undertaken and feedback from planners and highways has been received resulting in the scope and costs having increased. Specific elements causing this increase at this stage included:

- the requirement to install a sprinkler system across the site.
- the council's adoption of the low carbon build standard.

These were in addition to the ongoing restrictions due to COVID pandemic, increases in material costs due to Brexit, Climate Change and rising energy costs significantly impacting on our costs.

January 2022, Construction company was appointed to carry out the pre-construction services, this included undertaking detailed design and submission of the planning application (RIBA stages 2 to 7).

May 2022 The scheme budget was increased by £600k, to £3.6m to reflect rising costs at the Outturn Position, this was agreed at the Finance Sub Committee 06 July 2022.

July 2022, as part of the Council's reprofiling exercise, it was requested that the budget figure for the scheme be uplifted to £4.1m, this was approved by Corporate Policy Committee on the **6 October 2022**. This uplift was agreed through the evidence provided by through the project management group as provided by asset services.

At this stage, we advised the uplifted cost was to reflect current status, risks though included planning delays and further cost increases/planning refusal. A planning decision was due early **September 2022**, and this was delayed until the **7 November 2022**.

11 October 2022, Construction company submitted their initial Stage Two tender sum of £5,422,518.79, which was revised on the **19 October 2022** to £5,319,855.45. QS consultants were appointed on behalf of CEC, issued their stage 2 evaluation report and concluded that the tender allowance can be confirmed as value for money based on the current restrictions and market conditions.

Summary of key dates:

12 July 2021 – Children and Families Committee -Original figure approved but this was based on previous schemes initial estimate: £3m

May 2022 The scheme budget was increased by £600k, to £3.6m to reflect rising costs at the Outturn Position, this was agreed at the Finance Sub Committee 06 July 2022.

21 July 2021 – Stage 1 feasibility costs – Estimated at £4.1m

June 2022 – As part of the Council's Capital reprofiling exercise we requested for the budget to be increased to £4.1m, this was approved by committee **6 October 2022**

11 October 2022 – Construction company submitted their Stage 2 tender report at a figure of £5,422,518.79, this was then revised to £5,319,855.45

19 October 2022 – QS company confirmed that the £5,319,855.45 contract figure was acceptable. Overall, the scheme budget is £6,079,770, this includes additional consultant fees and client risk costs.

7 November 2022 – Planning permission granted for Dean Row satellite for up to 80 places.

21 November 2022 – ODR signed by Executive Director for virement of additional funding.

Funding

The additional funding for the virement of £1,979,770m will be funded from the following unallocated grant within the Children and Families Capital Programme: -

- £750k from School Condition Grant/Emerging priorities (Currently there is £1.3m unallocated, resulting in a balance of £550K to address any emerging and critical expenditure which could result in a short-term close closure (e.g., boiler failure). Based upon evidence over recent years, this remaining balance is sufficient to meet the need for emergency interventions to keep schools open
- £1,229,770m from High Needs Capital Grant (Currently unallocated High Needs grant stands at £3.819m 2023-24 allocation and £46k from the 2022-23 allocation).). In March 2022, we were notified by the DfE of the High Needs Provision Capital Allocations (HNPCA) for financial years 2022-23 and 2023-24. This funding is to support LAs to deliver new places for academic years 2023/24 and 2024/25 and improve existing provision for children and young people with special educational needs and disabilities (SEND) or who require alternative provision (AP). Therefore, this is the utilising available funding for schemes in progression.