

20 May 2019**Agenda Item: 7****REPORT OF THE SERVICE DIRECTOR, PLACE AND COMMUNITIES****LATEST ESTIMATED COST REPORT FOR THE NEW SCHOOL, WATNALL ROAD SITE, HUCKNALL AND THE REPLACEMENT OF HAWTHORNE PRIMARY SCHOOL BESTWOOD****Purpose of the Report**

1. To seek approval for the Latest Estimated Cost (LEC) for the works to provide the new schools in Hucknall and Bestwood and to vary the capital programme to reflect the increased cost of the projects

Information**Bestwood Hawthorne**

2. The school replacement project is to provide a 210 place primary school with a 39 place Nursery with the ability to further expand to a 420 place primary at a future date. Construction commenced on site 28 August 2018 with an expected completion date of 30 August 2019.
3. Approval to proceed to construction phase was granted 20th December 2017 by Policy Committee based on the LEC at the time of **£5,792,465**.

Hucknall, Watnall Road Site

4. The new school project is to provide a 210 place primary school with a 26 place Nursery with the ability to further expand to a 315 place primary at a future date. Construction commenced on site 15 October 2018 with an expected completion date of 30 August 2019.
5. Approval to proceed to construction phase was granted 16th July 2018 by Finance & Major Contracts Management Committee based on the LEC at the time of **£3,731,049**.

Capital Budget implications

6. The Latest Estimated Costs are below. Please note that professional fees include all feasibility costs including site surveys and associated statutory fees, as well as Arc Partnership fees.

7. The Professional Services provided by Arc Partnership within these projects are: -

- Architectural
- Mechanical
- Electrical
- Quantity Surveying
- Structural
- CDM
- Project Management

8. The project now incorporates the mothballing of the existing Hawthorne School upon vacation. It is estimated that the cost of this will be £50,000 which will be met by NCC estate management budgets.

9. Latest Estimated Cost – Bestwood Hawthorne School

	<u>Outturn Prices</u>
Building Works	£5,591,248
Professional Fees (including Viability and Feasibility Costs)	£556,670
Furniture and Equipment	£100,000
Mothballing of existing Hawthorne School	£50,000
Total	£6,297,918

<u>Anticipated Cash flow</u>				
	2017/18	2018/19	2019/20	Total
	£	£	£	£
Building Works	33,370	2,620,659	2,937,219	5,591,248
Professional Fees (including Viability and Feasibility Costs)	296,155	130,514	130,001	556,670
Furniture and Equipment	0	0	100,000	100,000
Mothballing of existing Hawthorne School	0	0	50,000	50,000
	£329,525	£2,751,173	£3,217,220	£6,297,918

10. Latest Estimated Cost – Hucknall, Watnall Road Site

	<u>Outturn Prices</u>
Building Works	£3,557,117
Professional Fees (including Viability and Feasibility Costs)	£372,099
Furniture and Equipment	£300,000
Total	£4,229,216

<u>Anticipated Cash flow</u>				
	2017/18	2018/19	2019/20	Total
	£	£	£	£
Building Works	0	1,550,981	2,006,136	3,557,117
Professional Fees	24,998	234,769	112,332	372,099
Furniture and Equipment	0	0	300,000	300,000
	£24,998	£1,785,750	£2,418,468	£4,229,216

Changes to the Latest Estimated Costs

11. Bestwood Hawthorne LEC increase of **£505,453**.

<u>Comparison of Costs</u>			
	Original LEC	Current Forecast	Variance
	£	£	£
Building Works (including changes to drainage)	5,161,948	5,591,248	429,300
Professional Fees (including Viability and Feasibility Costs)	501,217	556,670	55,453
Furniture and Equipment	129,300	100,000	(29,300)
Mothballing of existing Hawthorne School	0	50,000	50,000
Total	£5,792,465	£6,297,918	£505,453

12. The school site is located within a proposed housing development. Unfortunately, that development was showing no indication of progressing due to Green Belt issues. The design for the school could, therefore, not rely on any service infrastructure that the housing development would ultimately provide. It should be noted that the extent of the site slopes 9m. This requires that it be engineered into plateaus to accommodate the building and sports pitches, each of which must be adequately drained to mitigate surface water run-off. The LEC reported to committee 20 December 2017 allowed for an on-site soakaway solution for surface water drainage, the design for which was supported by early site investigation results.

13. Subsequent design development and further site investigation found the soakaway solution unviable and an alternative connection to the existing village infrastructure was investigated but refused by Severn Trent due to capacity issues in the immediate area.

14. The final design solution for the surface water follows negotiation with the housing developer, who has now commenced his infrastructure works, and involves an extensive surface water drainage network to the entire site which ultimately discharges to their system. This design is significantly more expensive than the original soakaway solution and has extended the contractor's programme by six weeks. This delay does not impact on the school's ability to open in September.

15. Arc Partnership is committed to continually challenging all contractual claims.

16. Hucknall, Watnall Road Site LEC increase of **£498,167**

<u>Comparison of Costs</u>			
	Original LEC	Current Forecast	Variance
	£	£	£
Building Works	3,407,117	3,557,117	150,000
Professional Fees (including Feasibility Costs)	323,932	372,099	48,167
Furniture and Equipment	0	300,000	300,000
Total	£3,731,049	£4,229,216	£498,167

17. It was noted in the LEC report to committee 16 July 2018 that a further Basic Need capital allocation would need to be set aside for Furniture and Equipment. This has now been assessed at a cost of £300,000.

18. The school was designed with a barrel roof to meet a planning requirement to reflect the historical context of the site. When the LEC was submitted this design was thought to be cost neutral to a standard design. Subsequent design development has identified significant detailed design implications in respect of service installations and internal wall configuration. Unfortunately, some of the detailed design issues have been identified through the construction process and have resulted in delay to the construction programme (Arc equate this to circa £100K of construction cost which they are not seeking to recover from the client).

19. The increase in Fee is only attributable to actual Viability and Feasibility costs, together with the standard matrix fee allowance for the additional FF&E (Arc Partnership are currently claiming no additional fee on the increase in building works costs). Arc Partnership is committed to continually challenging all contractual claims.

Capital Budgets

20. £3.7M has been agreed for the new Hucknall School within the capital programme, this is forward funding for the Section 106 contributions which have yet to be received. S106 contribution of £3.5 million, plus indexation, expected to be at least £425K have been agreed for the Hucknall, Watnall road school. £5.8M Council Capital funding has been approved for the replacement Hawthorne Primary within the Capital Programme.

21. It is requested that the Bestwood Hawthorne capital budget is varied to reflect the increased cost of £0.505m, funded from Basic Need grant. It is also requested that the Watnall Road capital budget is varied to reflect the increased cost of £0.498m, funded by £0.194m S106 contributions and £0.304m Basic Need grant.

Revenue Budget implications

22. Any additional premises and human resource costs arising from these proposals will be met from the individual school's budget.

Other Options Considered

23. None. Both schools are vital for providing school places in the respective local areas.

24. Hawthorne school serves a discreet community in which there are no other schools. The existing site cannot be further expanded. The existing buildings do not reflect the needs of the 21st century learning environment and the split site presents significant operational challenges for the school.

25. The Hucknall Planning area is one which has witnessed housing growth over the last five years. 420 additional school places have already been created in existing schools to meet the demand from population growth, funded through basic need and/or section 106 contributions. The building of a new school is now essential to meet the project demand from the new housing development on the Watnall road site.

Reason/s for Recommendation/s

26. Local Authorities have a statutory duty to ensure sufficient school places are available for every child in the local area that needs one

Statutory and Policy Implications

27. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Crime and Disorder Implications

28. There are no direct crime and disorder implications within the report. Both sites incorporate Security boundaries, as a result risk of crime from theft or vandalism is minimised.

Financial Implications

29. These are set out in the report

Public Sector Equality Duty implications

30. In accordance with County Council Policy the design of the buildings will incorporate access and facilities for people with disabilities.

Implications for Sustainability and the Environment

31. Environmental and sustainability requirements will be incorporated into the detailed design process of the buildings

RECOMMENDATION/S

32. That members consider the Latest Estimated Cost for these Schools builds and approval be given to vary the capital programme to accommodate the cost increases identified.

Derek Higton

Service Director, Place and Communities

For any enquiries about this report please contact: Phil Berrill, Team Manager, Departmental Services Tel: 0115 9774641

Constitutional Comments (KK 24/05/19)

33. The proposal in this report is within the remit of the Finance and Major Contracts Management Committee

Financial Comments (GB 10/05/19)

34. The initial capital budgets for these projects are already approved in the Children and Young People's (CYP) Committee capital programme (£5.8m for the Bestwood School and £3.7m for the Watnall School). Also, within the approved CYP Committee capital programme is a 2019/20 School Places Programme budget which totals £19.0m. The increased costs identified in this report will be funded from the School Places Budget (£0.8m) and by an additional Section 106 contribution (£0.2m).

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Update report on the replacement of Hawthorne Primary School, Bestwood – Report to Policy Committee 20-12-2017 - Published
- Latest Estimated Cost – New School, Watnall Road Site, Hucknall – Report to Finance and Major Contracts Management Committee 16-07-2018 - Published

Electoral Division(s) and Member(s) Affected

Wards:	Newstead Hucknall West
Members:	Councillor Chris Barnfather Councillor Kevin Rostance