

Classification: Open	Decision Type: Non-Key
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Report to:	Cabinet	Date: 05 June 2024
Subject:	Millwood Primary Special School – Programme Update & request for approval to appoint contractor – Part A	
Report of	Deputy Leader and Cabinet Member for Children and Young People	

1.0 Summary

- 1.1 This updated report is presented to Cabinet with a full explanation of the latest position, details of the programme and seeking approval of a fully costed bid from the contractors for the construction of the new wing and authorisation to enter into a Design and Build Contract with them. Along with an approval request for the other client costs stated in Part B of the report.
- 1.2 The contractors have completed the Pre-Construction Services Agreement (PCSA) for the detailed design up to RIBA Stage 4. Their costed bid was received on the 7 May 2024. This is shown in Part B of the report.

Recommendation(s)

Cabinet is asked as follows:

1. To approve the fully costed bid from the contractor together with the costs of the professional/consultant/client FFE costs fees for the construction of the new wing. All costs are to be covered by Children’s Services capital funding.
2. To authorise the Director of Law and Democratic Services in consultation with the Cabinet Member for Children and Young People to finalise the terms of the Design and Build Contract to be entered into with the contractor.

This report is issued without finalised bid figures from ISG as these will not be available until 31st May 2024. They will then be reviewed internally and validated by independent consultant surveyors Poole Dick. Provided that the final bid figure can be recommended, an amended report will then be issued.

Cabinet approval is needed at the June meeting to ensure a start on site can be made on 1st July 2024 to meet the tight project deadlines. Initial works will be commenced under an agreed time and cost limited Letter of Intent if it is not possible to agree and execute the required JCT Contract by that date

Reasons for recommendation(s)

Development of additional capacity at Millwood Primary Special School, as set out in the Project Safety Valve agreement between the Council and the Department for Education, is a key element of the specialist place sufficiency strategy. Taken together, the Agreement and strategy set out the business case for the development of new provision and expansion of existing specialist provision to meet increasing demand

within Bury and reduce the reliance on placements in Independent Non-Maintained Special Schools (INMSS). The project at Millwood Primary Special School is a priority within this strategy.

Alternative options considered and rejected

Whilst it is possible to re-procure the scheme, this would result in significant delay to delivery of the project with no certainty that costs will be reduced. The option to re-procure will remain, to be pursued in the event that the costed bid is rejected. In that event all the work carried out to date will be utilised to form an integral part of the tender documents to be issued.

Risk Management

The Council has put robust client-side contract management arrangements in place to mitigate risk and ensure effective delivery of the project.

2.0 Background

2.1 Cabinet have received a suite of reports regarding progress/approvals in relation to this scheme.

Below are the dates of the cabinet reports (See below links to the reports): -

- 14 December 2022
- 12 July 2023
- 6 September 2023

2.2 It has only been possible for a report to be submitted at the earliest in June 2024 to Cabinet seeking approval of a fully costed bid from the contractor for the construction of the new wing and authorisation to enter into a Design and Build Contract with them.

2.3 Whilst these timescales are disappointing, the contractor remains confident that the building will be completed for occupation by September 2025 as the anticipated construction period is 53 weeks.

2.4 Development of additional capacity at Millwood Special School, as set out in the Project Safety Valve agreement between the Council and the Department for Education, is a key element of the specialist place sufficiency strategy. Taken together, the Agreement and strategy set out the business case for the development of new provision to meet increasing demand within Bury for specialist provision and reduce the reliance on placements in Independent Non-Maintained Special Schools (INMSS). The project at Millwood is a priority within this strategy.

4th Wing Building Extension Update

2.5 According to the contractors' original programme construction was originally anticipated to commence in February 2024 with a 53-week building period.

- 2.6 During a meeting on 24 October 2023 the contractors indicated that the 4th wing extension programme was delayed. The negotiations with contractors have been complex and time consuming. This was the case when a request to change the proposed car parking layout and landscape area was made. Also, the results of a coal mining site investigation report have resulted in a change to the anticipated foundation design.
- 2.7 The contractors submitted a full Planning application to Bury Council on the 11 October 2023. Planning approval was granted December 2023.
- 2.8 On the 13 November 2023 the contractors submitted their RIBA Stage 3 report. This included a revised programme and updated cost plan. The contractors progressed to RIBA stage 4. The necessary work included RIBA stage 4 technical drawings and specifications and obtaining subcontractor prices for work packages.
- 2.9 On the 12 March 2024 a meeting took place between the contractors and the LA. During this meeting the contractor indicated that there would be a further delay in submitting the stage 4 costed bid, this is mainly due to an issue that whilst carrying out the design of the substructures it became apparent to the contractors that further liaison with the Coal Authority was required for sufficient design information to remediate the potentially existing worked coal seams to further inform the substructure design for raft slab and further substructure remediation to be completed. A formal extension of time for the return of the bid submission was requested in accordance with the PCSA and granted as noon on 7 May 2024.
- 2.10 The stage 4 bid was received on the 7 May 2024 The costed bid and proposals were reviewed. The costed bid was also shared with external quantity surveyors to validate the figures. The company confirmed that the bid represented value for money. Cabinet approval is now required to award the building contract.
- 2.11 An updated programme received from the contractors on the 7 May 2024 states a start on site on 1 July 2024 and completion 4 July 2025. School/LA fit out of the new areas will take place between 7 July 2025 to 18 July 2025 ready for September 2025.
- 2.12 The contractor costs provided are in line with the North-West Construction Hub framework rates and historical costs used by the contractor when successfully awarded contracts via the framework. The council will have total transparency over the next stage in supply chain procurement to ensure we receive true market tested contract costs.

Existing Wings Remedial Works Proposal

- 2.13 On 24 October 2023 a meeting took place between the contractors, the LA and the structural engineers to discuss the contractors roofing remedial proposals for the 3 existing wings at Millwood.

- 2.14 The contractors engaged a SIPS specialist to advise on specific situation repairs to the existing SIPS panels and a Structural Engineer has reviewed the steel /structure. They propose to strip off the existing roofing construction above the SIPs and overlay with a new alternative roof construction on these 3 wings only instead of replacing the SIPS panels with a metal deck roof as is the case in the other areas. Additional steelwork would be introduced to support the roof loads.
- 2.15 The benefits of this option compared to a full replacement of the SIPS are that the works to all 3 wings would be less disruptive to the school as phased decanting of the pupils would not be required during the works.
- 2.16 This proposed approach by the contractors differs from the structural engineer's original recommendation and clearly required robust analysis by the structural engineers prior to any decisions being made.
- 2.17 The contractors carried out further inspections during the February 2024 and Easter half terms. It is hoped that during summer 2024 additional steel props will be installed within various locations in the wings. Following this work the repair work to the 3 wing roofs will take place.
- 2.18 The Contractors along with their designers compiled their finalised proposals/calculations. This information was shared with the LA and structural engineers for approval. These works will have a warranty upon completion.
- 2.19 Additional information and calculations was requested to enable a decision to be made. The structural engineers stated they are satisfied with the proposals with a few items to be confirmed when the works are being undertaken.
- 2.20 Discussions about the revised approach will be required with the schools' senior leadership team and the LA. An understanding of the timescales and impact on school is required. A meeting date to be confirmed.

Roofing Remedial Works Update

- 2.21 The roofing remedial works have progressed well. The hydrotherapy pool, anvil areas, main hall, main kitchens, performance hall are complete.
- 2.22 Phase 5 which includes the re-roofing of the rebound room and the premises team areas are currently being developed by the contractors. Once they have concluded their proposals they will be shared with the school and the LA.

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Links with the Corporate Priorities:

The proposal will support key ambitions of the Let's do it strategy:

- A better future for the children of the borough
 - A better quality of life
 - A chance to feel more part of the borough
 - Building a fairer society that leaves no-one behind
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Equality Impact and Considerations:

An Equality Impact Assessment has been completed with neutral and positive impacts identified. No further mitigations/actions are required.

Environmental Impact and Considerations:

Environmental impacts and concerns will be considered as part of the pre-construction services and will be in-line with existing Council policies.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council making a direct contract award to the contractors will not represent value for money.	<p>Monitoring has taken place during the RIBA stage 4–Technical Design stage to assess value for money in the context of the emerging detail of the content of the contractors bid. This will provide the Council with the necessary assurance that it is safe to make the direct award to the contractor or alternatively to determine that the project should be re-tendered.</p> <p>Commissioned an external Quantity Surveyor company to provide assurances to the council that the bid represents value for money.</p> <p>The Council has put robust client-side contract management arrangements in place to mitigate risk and ensure effective delivery of the project</p>

Legal Implications:

The proposed contract with the contractor if approved will be a direct award under the North-West Construction Hub (NWCH) framework. A direct award is appropriate in the exceptional circumstances of this matter. However, the Council has to be satisfied that its best value statutory obligations under the Local Government Act

1999 have been met. To that end the Council has received confirmation that the costs are in line with the NWCH framework rates, has been given transparency as to the contractor's supply chain costs and the overall tender sum has been validated by independent quantity surveyors.

A general duty exists to ensure sufficient school places for children of mandatory age in the area (S14 EA 1996). The proposed extension to Millwood Primary Special School which is in Borough supports this and the agreement made under Project Safety Valve. The Special Educational Needs and Disabilities Code of Practice (January 2015) confirms that a Council's local offer must include available local service provision arising from the Joint Strategic Needs Assessment.

Financial Implications:

There is provision for the works within the Capital Programme approved by Council in February 2024.

Appendices:

Equality Impact Assessment

Background papers:

Cabinet Report – 14 December 2022 – Millwood Primary Special School: Update on remediation Programme and expansion proposal. [Link](#)

Cabinet Report – 12 July 2023 – Children's Services Capital Programme [Link](#)

Cabinet Report – 6 September 2023 – Millwood Primary Special School -request to approve additional expenditure - [Link](#)

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
RIBA	Royal Institute of British Architects