Infrastructure – Capital Projects Team

Costings Update Options Appraisal

Monifieth Learning Campus

Contents

Document History

Version	Changes	Author	Reviewed By	Date
1.0	First issue - Draft only for comment	L Perera	D Smith	17/05/2022
1.1	Updates following initial comments	D Smith	L Perera / E Dix	18/05/2022
1.2	Further updates following comments / review	D Smith	E Dix	23/05/2022
				Click to enter date.

1.0 Executive Summary

A feasibility report was received from the chosen framework contractor, Robertson Construction Tayside, indicating that the anticipated cost of the current design proposal exceeds the agreed budget.

The purpose of this document is to identify the options available to progress the Project and comparatively evaluate each option against relevant considerations.

A long-list of options has been prepared and, following an assessment against relevant pass/fail criteria, reduced to a short-list of those considered most suitable to deliver the project successfully.

The short-listed options have been comparatively evaluated using weighted criteria resulting in a recommended option that is most likely to deliver a successful project.

2.0 Overview/ Current Position

The Scottish Government Learning Directorate, in their letter of 26 January 2021, confirmed the inclusion of a replacement high school at Monifieth within Phase 2 of the Learning Estate Investment Programme (LEIP).

At its meeting of 31 August 2021, the Policy and Resources Committee approved the recommendations of Report Nr 274/21 which included to "*authorise procurement of the proposals using Early Integrated Team/ Partnering arrangements, utilising a Design and Construction model*". Within this report the Council was recommended to note that "*it may be necessary to reassess the project scope as the project develops to fit within the affordability envelope the Council has available should costs be higher than currently estimated or should the funding support provided from the Scottish Government differ from the levels assumed in the Council's affordability assessment*".

Following an Options Appraisal of the frameworks available to the Council, that utilise a design and build model with Early Team Integration/ Partnering arrangements, the Project Board approved the use of the Procurement Hub "Major Projects" framework.

The Procurement Hub "Major Projects" framework is a fully EU compliant framework that delivers major construction projects using a six gateway process. Following the submission of a request to access the framework (Gateway 1) a feasibility request was issued during September 2021 resulting in the submission of a feasibility report in March 2022 (Gateway 2).

The feasibility report submitted by the framework contractor states a construction cost of £54.16m, at March 2022 cost levels. Once projected tender price increases of 6.02% between 1st Quarter 2022 and 2nd Quarter 2023 is factored in this results in an estimated construction cost of £57.42m, at May 2023 cost levels. When other project costs are added this provides an estimated total project development cost of £61.08m.

The current identified budget within the Financial Plan is £50m.

This identifies that the current estimated development cost, based on the feasibility report submitted by the framework Contractor, exceeds the approved budget by **£11.08m** (22.16%).

3.0 Analysis of Feasibility Cost

Following a review and analysis of the feasibility costs received, it is apparent that a number of factors have caused the increased feasibility cost.

3.1 Early Stage Cost Plan Accuracy

The feasibility cost was prepared within a limited design period (10-12 weeks) aligned with the Procurement Hub process. It is intended that this information provides an early indication of project costs only. The majority of cost information is based on rates per square metre only and does not reflect the actual developing designs. In addition, the project comparator costs used by the contractor are based on a limited selection of projects which have been delivered to achieve LEIP funding criteria.

3.2 Building Size / Scale

The feasibility study was based on an agreed accommodation schedule which included Police Scotland accommodation. While it was the intention for Police Scotland to contribute for any of their accommodation, they have since advised they no longer require dedicated accommodation. In addition to the removal of the Police Scotland accommodation it has been identified that there are various increases in the accommodation area for Monifieth High School above the agreed area metric / funding which require to be rationalised.

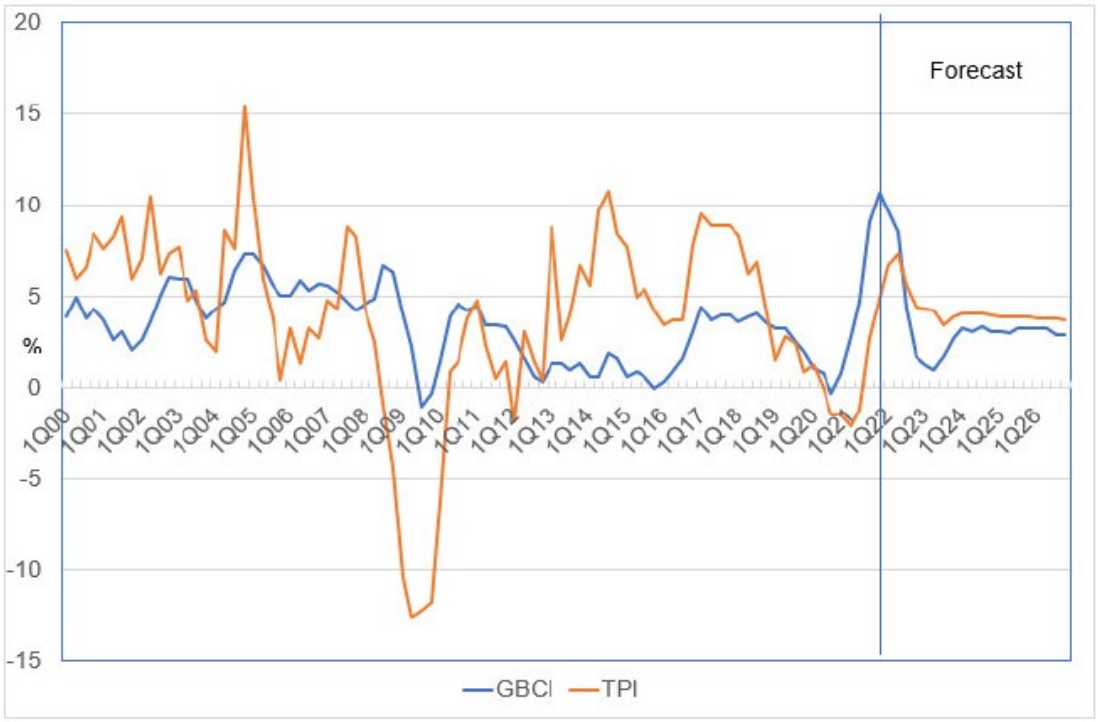
The overall area relating to Police Scotland and excess accommodation equates to 485sqm. This accounts for approximately £2.02m of the increase in the original projected costs.

3.3 Construction Inflation

The original project budget was prepared in late 2020. This was reviewed in July 2021 as part of the preparatory work for the Procurement Authority Approval Request report (PAAR). The Building Cost Information Service (BCIS), the acknowledged main source of building cost information in the UK for over 60 years, reported a 6.29% expected increase in tender prices between 3rd Quarter 2021 and 2nd Quarter 2023 i.e. the date that tenders for this project will be based.

The latest tender price study from BCIS, printed on 3 May 2022, now estimates a 10.62% increase in tender prices between 3rd Quarter 2021 and 2nd Quarter 2023 i.e. 4.33% above the projected increase as at July 2021. A 4.33% increase on the allowance in the PAAR for the construction and demolition cost of £45m amounts to £1.95m.

The following image graphically demonstrates the sharp increase in tender prices and building costs experienced over the past year and the expected continuing high level of increase through to 2024.



Source: BCIS

GBCI – General Building Cost Index i.e. index tracking changes in building costs. This index is representative of actual costs of materials, labour and plant.

TPI – Tender Price Index i.e. index tracking changes in tender prices. This index can be affected by the demand for work at a particular time, a contractor's current workload or work in hand, availability of labour and other factors as well as changes to general building costs. The obvious drops in tender prices relate to significant events, for example following the 2008 "credit crunch" and 2020/21 Covid restrictions to work. These led to a large drop in demand for construction projects for a limited time.

3.4 Passivhaus

Within the original budget the Project Team included additional costs for the upgrading of various building elements to provide increased energy efficiency and Passivhaus accreditation. These elements included the upgrading of building fabric and the addition of increased mechanical ventilation. Limited information was available in relation to non-domestic building types built to this standard due to the limited adoption at this time, however information available from Passivhaus Trust, following a study published in 2019, noted:-

- In 2015 the additional cost for Passivhaus was 15-20%, largely based on the innovative nature of the Passivhaus Standard.
- In 2018 it was estimated that the cost for Passivhaus had dropped to approximately 8%.
- It was expected that the costs would continue to fall to 4% or less as the Passivhaus standard was adopted more frequently.

Passivhaus was included as a design requirement from the beginning of the project and was not an add-on / afterthought, avoiding additional costs relating to abortive work or incorrect design decisions. The original budget included a £1.46m increase from similar projects for Passivhaus measures. The increases relate to specific affected elements including building envelope

insulation, window efficiency and increased mechanical ventilation. The cost allowed equates to a 3.4% increase on the estimated total construction cost without any Passivhaus measures.

Despite the information above the framework contractor has contended that a 15% premium applies to designing and construction buildings to meet the Passivhaus standard compared to typical projects designed to meet the current Building Standards energy efficiency requirements. While the Project Team acknowledge the potential increased costs to provide Passivhaus, as noted in the original budget setting, it should relate to those elements of Passivhaus building which will cost more. Other elements will be unaffected (e.g. internal doors, floor/ wall/ ceiling finishes, partitions, external works) and a blanket 15% increase may be excessive. A 15% increase on the original estimated construction cost without any Passivhaus measures amounts to £6.45m. The original £50m development cost allowed for increases with certain elements to achieve the Passivhaus standard, amounting to £1.46m of the development cost. The difference between what the framework contractor claims as the PH premium (£6.45m) and what was allowed by Angus Council for PH measures (£1.46m) is £4.99m.

3.5 Risk Setting and Allowances

It is normal for early stage costs estimates to include allowances for risks that could affect the final cost of the project. The Angus Council Project Team had included a contractor construction risk allowance in the original budget setting (£0.5m). The framework contractor however has included an allowance of £2.5m. This can be partly explained by the current volatile nature of building costs and the uncertainty over likely cost increases between now and 2nd quarter 2023 i.e. the current date that tender prices will be agreed for the various works packages. The contractor's feasibility cost includes allowances associated with both developing the design and for construction risks. The former risk should be absorbed into the tender price at 2nd Quarter 2023 on the basis that all current design risks have been fully considered and resolved during the design development process. The difference between what the framework contractor has allowed for design/construction risk (£2.5m) and what was allowed by Angus Council for construction risk (£0.5m) is £2m.

3.6 External Factors Affecting Construction Pricing

In addition to the information above, it should be noted that cost rises to construction materials, fuel and energy are currently extremely high in comparison to recent years. There is more uncertainty than normal on how external factors will affect tender/ building prices over the next year.

The external factors include:-

- the continuing effects of Covid on materials costs and availability;
- supply issues and global demand for materials;
- the concern any further restrictions or pandemics will have;
- the effect of Brexit on importing costs and delays to material supplies;
- energy price increases which affect the production costs of materials
- fuel cost increases affecting the cost of delivering materials
- increased fuel duty on diesel operated plant.

Whilst construction costs are always affected by external factors it is the unusual number and high impact of the external factors that has compounded the effect on current cost levels.

3.7 Cost Increase Summary

A summary of the above cost increases since the development cost was prepared in July 2021 are:

Change to projected Tender Price increases	£1.95m
Additional Contractor pricing of Passivhaus	£4.99m
Additional floor area in feasibility study design	£2.02m
Difference in risk allowances	£2.0m
Total of identified cost increases	£10.96m
Unidentified cost increases	£0.12m
Total cost increase	£11.08m

Discussions with other authorities have confirmed that price rises are similarly affecting their current new-build schools projects that are at, or near, the same stage of development as Monifieth Learning Campus.

3.8 LEIP Funding

Funding through the LEIP is on a fully revenue, outcome based, funding model. Angus Council must fund the entire upfront capital investment. The Scottish Government will provide revenue funding to local authorities to support their proportion of the funding over a 25-year period to meet facilities management and life cycle maintenance costs. The funding will be released on evidence of achievement of agreed outcomes in relation to:-

- Condition – ensuring the facility remains A or B rated over a 25 year period;
- Energy Efficiency – ensuring energy usage does not exceed 67/kWh/sqm/p.a. for core hour / facilities;
- Digitally Enabled Learning – digital infrastructure can support 1Gbps throughout the facility; and
- Economic Growth – ensuring the project meets the Construction Industry Training Board benchmarks in relation to new jobs created through the project delivery.

The funding is based on 50% of a notional capital cost only. Scottish Futures Trust previously advised that the notional funding award for the project is based on £24.57 million.

Although they are not funding the capital build costs directly the LEIP funding model is very clearly a co-funded approach to school investment between the Scottish Government (managed through SFT) and Scottish Local Government. As such it is considered reasonable to assume that significant cost rises due to market conditions will attract additional support rather than be left entirely for the Council to fund. Discussions with SFT are ongoing in this regard.

4.0 Objectives

The main objective of the options appraisal is to determine how to proceed with the project following the increased costs provided as part of the feasibility study.

For the avoidance of doubt the options appraisal is intended to guide, inform and support members in reaching a decision on this matter not to dictate the end outcome.

5.0 Stakeholders

The following officers have been involved with the production and agreement of the options appraisal:-

Capital Projects Team:
Dave Smith, Manager Capital Projects
Eileen Dix, Team Leader Asset Commissioning
Louis Perera, Project Officer Asset Commissioning
Raphael Dunbar, Project Officer Asset Commissioning

Monifieth Learning Campus Project Board:
Kelly McIntosh, Director of Education and Lifelong Learning
Andy Dingwall, Head Teacher, Monifieth High School
Steven Mill, Service Leader (Finance)
Alison Watson, Service Leader (Legal and Democratic)
Jane Stork, Manager Communications

6.0 Methodology

6.1 Costing Research and Design Development

Research was conducted to establish current cost levels for projects of this nature. Very few new-build schools projects in Scotland have been/ are being designed to the Passivhaus Standard hence access to directly similar, current, accurate, market tested cost information is limited.

BCIS quarterly cost studies have been examined to determine the factors affecting construction costs although these reflect UK wide factors rather than local market conditions.

The framework contractor has provided access to price increase warnings from building materials suppliers and manufacturers and has access to recent tender prices for a Passivhaus secondary school designed for Perth and Kinross Council which is nearing Project Agreement.

It is acknowledged, as noted within 3.1 above, that the feasibility costs are an early estimate generally based on costs per square metre. In conjunction with the framework contractor the Project Team have examined the cost significant elements of the project. This has tested the preliminary cost allowances for these elements and includes further enquiries with suppliers and sub-contractors to confirm expected cost levels. The elemental cost plan has been updated to reflect this pricing. This has provided more cost certainty of the elements that have been investigated. Minor cost elements have not been further examined at this stage. Some of the cost assumptions and risk allowances made by the framework contractor have been challenged and, where deemed appropriate, adjusted to suit. The updated cost plan has identified a number of cost reductions including:-

- Reduction of floor area
- Reduction in various cost allowances following information from suppliers
- Reduced areas / quantities of some elements to reflect the current design
- Maximising the simplicity of the design and avoiding excessive building specifications
- Reduced contractor risk allowances

Based on the updated cost information received to date the current estimated construction cost is £52.3m (May 2023 cost levels). When other project costs are added the estimated total development cost is £56m.

Construction Cost and demolition:	£52.3m
Design and Statutory Fees:	£2.4m
Utilities:	£0.17m
Project Specific Staffing Costs:	£0.83m
Angus Council Project Risk / Contingency	£0.3m
Estimated Project Cost:	£56m

The project team have been closely consulting with the framework contractor to reconfigure the design to drive out any design inefficiencies whilst still providing all of the learning spaces required. The School management team has been involved throughout this process.

6.2 Process

A long list of Options has been produced and using a simple pass/ fail process the options considered unsuitable for this project are discarded, resulting in a short list of viable options. The

short-listed options are subject to a more rigorous weighted score analysis process to provide a ranking for these options.

7.0 Options

7.1 Options Identified

The six identified options are outlined within items 7.1.1 – 7.1.6 below.

These options have been subjected to a pass/fail process against the following two criteria that are considered essential requirements for this particular project:

- Requirement to maintain schools to A or B condition
- Provide a 1200 young people minimum capacity

7.1.1 Option 1 – Do nothing i.e. cancel the project

Description – cease design work for new campus and cancel the new build project. Carry out reactive maintenance of existing building as required.

Financial Implications – reduction in capital expenditure within Capital Plan which could be redirected to other priority projects. Potential increased revenue costs due to lack of improvements. No LEIP funding provided. Abortive design costs incurred to date would need to be written off as sunk costs.

Programme Implications – none as no project.

Benefits – no disruption to school/ local community resulting from a major new-build project.

Risks – current capacity, condition and suitability issues remain. Reputational risk due to cancellation of project and funding. School may be unable to meet future curriculum needs.

7.1.2 Option 2 – Proceed with the Design and Build but with a reduced capacity/ facilities within approved budget allowance

Description – proceed with a new build school but reduce the scope of the project to be in line with the available £50m funding included in the capital plan. Reductions could include a reduced school capacity and/or removal of facilities, i.e. swimming pool.

Financial Implications – no direct effect on the current financial plan allowance, however LEIP funding would reduce to reflect the reduced scope. This reduction would apply pro-rata for any capacity reduction, or as a lump sum for the removal of the swimming pool. Any reduction in LEIP funding may then result in the necessity for further scope reduction to reflect the revised funding amount. Delay to the project to allow this redesign is likely to be subject to increased cost inflation as well as additional costs for the re-design itself. Project team assessment of these various factors indicates that it may not be feasible to deliver a revised scope project within the existing project budget due to reduction / loss of LEIP funding and the impact of inflation.

Programme Implications – due to the need to change the scope of the project there would be a requirement to agree a new brief and develop designs. It is estimated this would add a minimum of 6 months to the project programme at the point the decision is made to proceed with this option.

Benefits – the project would still provide a more modern learning environment albeit for a reduced capacity. The positioning and layout of the new building could be arranged to allow for a future extension.

Risks – the project would not provide sufficient capacity for the current or estimated future school roll. Reputational risk in relation to altering the agreed project scope. Potential risk to achieving LEIP funding completion requirement of December 2025. Scope alterations may need to be so significant as to make the project unviable.

7.1.3 Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget

Description – design development continues in line with the current programme, work packages are competitively tendered early 2023, with on-site operations commencing during May 2023.

Financial Implications – increased capital budget but this will have implications for other capital projects.

Programme Implications – none if agreed to progress from June 2022.

Benefits – project delivers the existing benefits including:- meets the school and community aspirations; provides a long term facility with reduced ongoing maintenance; provides an improved learning environment; opportunities for increased community use. The agreed LEIP funding requirement relating to the school being open to pupils by end of 2025 will be achieved.

Risks – actual labour and material price increases exceed current projections resulting in a development cost that exceeds the revised budget. Overall affordability for the Council at a time of significant financial pressure is a concern which could impact revenue budget decisions in the future.

7.1.4 Option 4 – Delay the project and recommence at a later date

Description – delay the project in the hope that cost levels will decrease in the future due to a change in market conditions i.e. demand for new construction work falls, leading to increased competition amongst tenderers for works packages. Design development could continue, if required, to allow works packages to be tendered when price levels are more favourable. Await future funding opportunities.

Financial Implications – loss of current LEIP funding due to delay. No guarantee / evidence that construction costs will reduce and may actually increase due to inflation. No guarantee of access to future LEIP or similar funding. Maintenance costs will continue to be incurred meantime.

Programme Implications – project delayed until agreed to proceed at a later date.

Benefits – construction cost inflation may reduce due to a reduction in demand for new projects. Although delayed the school and community will be provided with a building that meets the original brief.

Risks – no indication that construction costs/ tender prices will reduce in the short/ medium term and delaying the date of seeking tenders is likely to increase costs further as a result of anticipated increases in inflation. There may be no future Funding opportunities available. This is a very high risk option full of uncertainties the Council cannot control.

7.1.5 Option 5 – Refurbish existing school and add an extension based on current LEIP funding

Description – following further consultation with the school/ local community the existing school would be refurbished on a phased basis to allow works to progress without the need to close the entire school. Additional temporary accommodation would be required to compensate for the loss of spaces whilst works are undertaken. A suitably sized extension could be added to achieve the 1200 capacity. Existing heating, lighting and power, toilet facilities, kitchen would be upgraded to meet the energy targets of the LEIP funding.

Financial Implications – The LEIP funding allows for refurbishments to existing schools, however funding conditions (including condition and energy efficiency) remain similar to new build options and may be challenging to achieve. While exemplar projects are limited, the costs are generally in line with new build options due to the need to work with an existing building; the prolonged on-site operations increasing time -related overheads; and the need for decant accommodation. LEIP funding may not be available due to the programme delay.

Programme Implications – significant delay of 6-12 months for design and potentially increased construction period due to need for decanting from the existing building.

Benefits – targeted improvements including energy efficiency enhancements. Condition and suitability can be addressed, subject to the limitations of the existing building. School capacity would increase as required to address capacity issues.

Risks – significant delay to project with no likely overall project cost savings. Extended programme causing significant disruption to school/ community during period of refurbishment. Some facilities would be unavailable and could not be recreated whilst undergoing refurbishment e.g. games hall/ swimming pool. More difficult and costly to achieve the required energy targets. On-going maintenance costs may be increased compared to a new purpose built facility. Increased Health and Safety requirements and noise disturbance for young people and staff during construction due to the close proximity of works.

7.1.6 Option 6 – Refurbish existing school and add an extension without LEIP funding

Description – following further consultation with the school/ local community the existing school would be refurbished on a phased basis to allow works to progress without the need to close the entire school. Additional temporary accommodation would be required to compensate for the loss of spaces whilst works undertaken. A suitably sized extension could be added to achieve the 1200 capacity. Existing heating, lighting and power, toilet facilities, kitchen would be upgraded, however the main building fabric would not have any improvements related to energy efficiency and only minimal improvements to internal environmental conditions. Opportunity to replace the existing school lost for the long term.

Financial Implications – Reduced project costs due to the reduced project scope. Potential increase to running costs due to comparative lack of energy efficiency. Loss of LEIP funding.

Programme Implications – significant delay of 6-12 months for design and potentially increased construction period due to need for decanting from the existing building

Benefits – targeted improvements to condition and suitability can be addressed subject to the limitations of the existing building. School capacity would increase as required to address capacity issues.

Risks – significant delay to project. Extended programme causing significant disruption to school/ community during period of refurbishment. Some facilities would be unavailable and could not be recreated whilst undergoing refurbishment, e.g. games hall / swimming pool. No improvement to energy efficiency. On-going maintenance costs may be increased compared to a new purpose built facility. Increased Health and Safety requirements and noise disturbance for young people and staff during construction due to the close proximity of works.

7.2 Shortlisting of Options using Pass/Fail criteria

7.2.1 Process

The shortlisting to narrow down the options that are considered viable for this project has been carried out by testing specific characteristics against a simple pass/ fail process.

The specific characteristics used within the shortlisting are as follows:-

1. Will the proposed project option allow the building to achieve an A or B for condition and suitability? – This is an aspiration of the agreed School Investment Strategy.
2. Does the proposed project option provide a building with a capacity for at least 1200 young people? – The school roll has already increased above the school capacity. The existing school has had temporary accommodation installed to minimise the impact of the increased roll. The roll is not projected to fall below the existing school capacity.

The result of applying the above characteristics to the six options are noted within the table below.

Table showing pass or fail for shortlisting characteristics to follow, seven columns, first row contain headings with two rows to follow

Pass/ Fail Criteria	Opt 1	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6
1. Achieves A or B for condition and suitability	Fail	Pass	Pass	Pass	Pass	Pass
2. Provides a capacity for 1200 young people	Fail	Fail	Pass	Pass	Pass	Pass

End table

Four options Pass all of the Pass/Fail criteria considered applicable to this particular project, namely options 3 – 6.

8.0 Short List of Options

The four shortlisted options are now comparatively evaluated to determine which option provides the most likely means of delivering the project successfully.

A list of relevant considerations has been used to compare the attributes of the shortlisted options:

- Opportunity to improve Energy Efficiency
- Budget / Cost / Affordability to deliver the project option
- Access and achievement of LEIP or similar funding
- Disruption / Impact on operation of the existing school during any project
- Opportunities for enhanced facilities for the school and community
- Improved internal environmental conditions

Each element is weighted out of 100 to reflect the importance of that consideration to the project.

A score of 0 (Low) to 10 (High) is applied to the six considerations:

Table showing scoring classification to follow, 3 columns, first row contain headings with ten rows to follow

Score	Classification	Definition
0	Unviable	Objectives would not be met. Would represent an unacceptable risk solution for the project.
1	Inadvisable	Very unlikely any of the objectives would be met. Would represent an unacceptable risk solution for the project.
2	Unsatisfactory	Considerable reservations as to likelihood of delivering any of objectives. Would represent a very high risk solution for the project.
3	Unsatisfactory	Significant reservations as to likelihood of delivering some of the objectives. Would represent a high risk solution for the project.
4	Partially Acceptable	Insufficient evidence to demonstrate most of the objectives would be met. Would represent a medium risk solution for the contracting authority.
5	Partially Acceptable	Unconvincing evidence to demonstrate that most objectives would be met. May represent a medium risk solution for the project.
6	Satisfactory	Some evidence to demonstrate most objectives would be met. Represents a low/ medium risk solution for the project.
7	Satisfactory	Reasonable evidence to demonstrate most objectives would be met. Represents a low risk solution for the project.
8	Highly Satisfactory	Reasonable evidence to demonstrate all objectives would be met. Represents a low risk solution for the project.
9	Highly Satisfactory	Robust evidence to demonstrate all objectives would be met. Represents a very low risk solution for the project.
10	Entirely Satisfactory	Robust evidence to demonstrate all objectives would be fully met. Represents minimal risk solution for the project.

End table

8.1 Opportunity to improve Energy Efficiency
Weighting – 10%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
The current proposal is being developed to achieve Passivhaus accreditation and meet the energy targets of the LEIP funding. The energy efficiency is a key element of the project brief. As a new build there are no limitations in relation to working with an existing building structure.
Score: 8

Option 4 – Delay the project and recommence at a later date:
The proposal would be developed to achieve Passivhaus accreditation and meet the energy targets of the LEIP or any similar funding. The energy efficiency would be a key element of the project brief. As a new build there are no limitations in relation to working with an existing building structure. Assumes project would go ahead but at a later date.
Score: 8

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
The proposal would be developed to increase energy efficiency of the building fabric and meet the energy targets of the LEIP or any similar funding. The energy efficiency would be a key element of the project brief. There may be limitations / compromises in relation to what can be achieved while working with the existing building fabric. Any extension would be delivered with efficiency targets of a new building delivered with LEIP funding.
Score: 7

Option 6 – Refurbish existing school and add an extension without LEIP funding:
The proposal would be developed to upgrade accommodation, however would not address energy efficiency of the existing building fabric due to budget constraints. The extension would be delivered with efficiency targets in line with current technical standards.
Score: 4

8.2 Budget / Cost / Affordability to deliver the project option
Weighting – 40%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
Additional funding within the Capital Plan would need to be identified including a reprioritisation of other capital projects.
Score: 4

Option 4 – Delay the project and recommence at a later date:
There are currently inflationary pressures and predicting if these will slow or reduce is unknown. There is little historical evidence of significant reductions to construction prices. Delaying the project may increase the cost of construction.
Score: 3

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
The proposal would require a significant change in the approach, however would be delivered in line with the LEIP funding. No evidence available to suggest a refurbishment to meet the LEIP

targets would cost less than a new building. The design process would require to be restarted leading to delays to the planned date works packages are tendered which increases the cost inflation risk. Decant accommodation would be required to be procured to allow the works to take place.
Score: 4

Option 6 – Refurbish existing school and add an extension without LEIP funding:
The proposal would require a reduction in the overall project scope which would lead to a reduction in project costs to meet any agreed revised budget. The design process would require to be restarted leading to delays to the planned date works packages are tendered which increases the cost inflation risk. Decant accommodation would be required to be procured to allow the works to take place.
Score: 7

8.3 Access and achievement of LEIP or similar funding
Weighting – 10%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
The LEIP funding requirements are being incorporated into the design.
Score: 8

Option 4 – Delay the project and recommence at a later date:
While the main LEIP funding requirements would be incorporated into the design the project would not be completed by December 2025. Funding from a later LEIP phase or alternative funding source would require to be considered with no details available.
Score: 3

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
While the main LEIP funding requirements would be incorporated into the design the project would not be completed by December 2025. Funding from a later LEIP phase or alternative funding source would require to be considered with no details available.
Score: 3

Option 6 – Refurbish existing school and add an extension without LEIP funding:
Project would not allow access to LEIP or similar funding due to the reduced scope.
Score: 1

8.4 Disruption / Impact on operation of the existing school during any project
Weighting – 10%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
The new building would be constructed while the existing building remains operational. This tandem build method has operated successfully on previous new build school projects. While some disruption remains due to construction traffic and loss of external areas the overall impact is minimised.
Score: 6

Option 4 – Delay the project and recommence at a later date:

The new building would be constructed while the existing building remains operational. This tandem build method has operated successfully on previous new build school projects. While some disruption remains due to construction traffic and loss of external areas the overall impact is minimised.
Score: 6

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
The proposal would involve a phased programme of works and extend the period of disruption to the school. Temporary accommodation for decant purpose would be required for each phase of the works. Some facilities would be unavailable and could not be recreated whilst undergoing refurbishment. There would be increased potential for disturbance to learning and teaching due to the close proximity of works to occupied parts of the school.
Score: 4

Option 6 – Refurbish existing school and add an extension without LEIP funding:
The proposal would involve a phased programme of works and extend the period of disruption to the school. Temporary accommodation for decant purpose would be required for each phase of the works. Some facilities would be unavailable and could not be recreated whilst undergoing refurbishment. There would be increased potential for disturbance to learning and teaching due to the close proximity of works to occupied parts of the school.
Score: 4

8.5 Opportunities for enhanced facilities for the school and community
Weighting – 20%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
The current design is being developed to address the agreed consultation responses and the requirements for the school. In addition to enhanced teaching accommodation, consideration on how the building could be used for other users, both within and outwith school operation, is being considered as part of the design.
Score: 8

Option 4 – Delay the project and recommence at a later date:
While delayed the design would be developed to address the agreed consultation responses and the requirements for the school. In addition to enhanced teaching accommodation, consideration on how the building could be used for other users, both within and outwith school operation, would be considered as part of the design.
Score: 8

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
As the project would be developed using the existing building fabric there may be more limitations in what could be delivered. Consideration would have to be given on further consultation to reflect the change in the project.
Score: 5

Option 6 – Refurbish existing school and add an extension without LEIP funding:

As the project would be developed using the existing building fabric there may be more limitations in what could be delivered. Consideration would have to be given on further consultation to reflect the change in the project.
Score: 5

8.6 Improved internal environmental conditions
Weighting – 10%

Option 3 – Proceed with the Design and Build in line with the current scope and programme at an increased budget:
The proposal would involve the building being designed and constructed in line with current standards and guidance. The Passivhaus standard requires a high degree of user comfort delivered through enhanced internal conditions. Funding conditions have a specific requirement to ensure indoor air quality meets Building Bulletin 101, Guidelines on *Ventilation, Thermal Comfort and Indoor Air Quality in Schools*.
Score: 8

Option 4 – Delay the project and recommence at a later date:
The proposal would involve the building being designed and constructed in line with current standards and guidance following any delay. The Passivhaus standard requires a high degree of user comfort delivered through enhanced internal conditions. Funding conditions would be expected to have a specific requirement to ensure indoor air quality meets Building Bulletin 101, Guidelines on *Ventilation, Thermal Comfort and Indoor Air Quality in Schools*. Any development of standards / requirements would also need to be incorporated.
Score: 8

Option 5 – Refurbish existing school and add an extension based on current LEIP funding:
The proposal would involve the building being designed and constructed in line with current standards and guidance. The existing building would require significant intervention to provide the required user comfort delivered through enhanced internal conditions. This may be restricted due to the existing layout or building scale. Funding conditions would be expected to have a specific requirement to ensure indoor air quality meets Building Bulletin 101, Guidelines on *Ventilation, Thermal Comfort and Indoor Air Quality in School.* Any extension would be designed and constructed to meet the same standards of a new building.
Score: 7

Option 6 – Refurbish existing school and add an extension without LEIP funding:
The proposal would have only some environmental enhancements within the existing building. Generally, the existing natural ventilation and light would be retained. Any extension would be designed and constructed to meet the same standards of a new building.
Score: 4

8.7 Summary Table

Table showing shortlisting scoring to follow, 6 columns, first and second rows contain headings with eight rows to follow

Blank	Blank	**Option 3 New build**		**Option 4 New build following delay**		**Option 5 Refurbish with LEIP funding**		**Option 6 Refurbish without LEIP funding**	
Consideration	**Weighting**	Score (out of 10)	Weighted Score	Score (out of 10)	Weighted Score	Score (out of 10)	Weighted Score	Score (out of 10)	Weighted Score
Opportunity to improve Energy Efficiency	10%	8	8%	8	8%	7	7%	4	4%
Budget / Cost / Affordability to deliver the project option	40%	4	16%	3	12%	4	16%	7	28%
Access and achievement of LEIP or similar funding	10%	8	8%	2	2%	2	2%	1	1%
Disruption / Impact on operation of the existing school during any project	10%	6	6%	6	6%	4	4%	4	4%
Opportunities for enhanced facilities for the school and community	20%	8	16%	8	16%	5	10%	5	10%
Improved internal environmental conditions	10%	8	8%	8	8%	7	7%	4	4%
Total weighted score %	100%	Blank	62%	Blank	52%	Blank	46%	Blank	51%

End table

The result suggests option 3 provides the most likely route to achieve a successful project. Although option 6 ranks 3rd overall it is only marginally lower than the second placed option and is considered to be the most realistic alternative if the Council does not wish to progress with the full replacement as was originally intended due to affordability concerns. In effect the choice is to continue with the full replacement project and provide more funding to deliver that (hopefully with additional support from SFT) or abandon that project and move forward with a phased refurbishment programme fully funded by the Council.

9.0 Conclusion

From an outcome perspective Option 3 (Proceed with the Design and Build in line with the current scope and programme at an increased budget) is the highest scoring. This provides the most likely route to achieve a successful project, however this requires to be considered in line with the capacity for increased funding.