



**INSPIREDSPACES TAMESIDE  
LIMITED**

Hawthorns SEND New Build School

Value for Money Review

6<sup>th</sup> April 2023

**LMW** CONSULTING 

Prepared by:



.....  
Michael Wilson MRICS

---

## CONTENTS

1.	Introduction and Scope of Works .....	3
2.	Tender & Procurement.....	3
3.	Programme.....	5
4.	Benchmarking.....	6
5.	Conclusion and Recommendation .....	8

## 1. INTRODUCTION AND SCOPE OF WORKS

To satisfy the due diligence requirements of Tameside Council relating to the submitted cost plan from Robertson Construction (RC), LMW Consulting (LMW) were appointed to carry out an independent Value for Money (VFM) review by InspiredSpaces Tameside (IST) for the construction of a new build SEND school.

Hawthorns SEND School is a new build single storey SEND Primary School with additional Early Years' provision for children between 4-11 years. The submitted cost plan includes for the full new build construction and internal fit out, including all associated external works including drainage, parking, recreational facilities and external educational areas.

Robertson Construction Group Limited (RCGL) were engaged to manage and tender the project.

RCGL have provided a proposed construction programme dated 22<sup>nd</sup> March 2023, Stage 4 Cost Plan dated 23<sup>rd</sup> March 2023, in conjunction with a Cost and Procurement Tracker also dated 23<sup>rd</sup> March 2023. RC have also provided LMW with copies of the sub-contractor work package quotes and our findings are contained within Section 2.

## 2. TENDER & PROCUREMENT

RC have submitted a tender programme and procurement tracker, detailing the various work packages and the number of tenders sought for each work package. Of a total 49nr work packages (excluding stats), 73% have been competitively tendered to 2nr or more sub-contractors. We are pleased to report that key high value work packages (remediation, groundworks, steelwork, external windows, roofing, partitions & brickwork) have been tendered to a minimum of 3nr sub-contractors.

The below table demonstrates that all the key work packages have been competitively tendered to a minimum of 2nr or more sub-contractors. A number of work packages have been tendered to a single sub-contractor; however, these are generally low value packages when considering the scale and scope of the project and are not detrimental to achieving a competitive tender sum.

98% of the measured works (by value) have been market tested.

Item	Work Package	No. of Tenders Sought	No. of Tender Returns
1	Remediation	3	3
2	Groundworks	5	3
3	Structural Steel	4	4

HAWTHORNS SEND NEW BUILD SCHOOL PROPOSAL  
VALUE FOR MONEY REVIEW

4	Metal Decking	2	1
5	Structural Framing Systems	5	2
6	Fire Protection	3	3
7	Flat Roof	3	2
8	Walkway/Fall Arrest	2	2
9	Architectural Metalwork	2	2
10	Windows	5	5
11	Louvres	2	1
12	Roofing	3	3
13	Masonry	4	3
14	Metal Doors	2	2
15	Partitions & Dry Lining	3	2
16	Folding Partitions	3	3
17	Fire Curtain/ Shutters	3	2
18	Internal Glazed Screens	1	1
19	Joinery	2	2
20	Screeds	2	2
21	IPS	3	3
22	Decoration	4	4
23	Soft Floor Finishes	3	3
24	Epoxy Floor Covering	1	1
25	Hygienic Wall Finishes	4	4
26	Mastic	1	1
27	FF&E	1	1
28	Blinds	3	3
29	Kitchens	1	1
30	Signage	1	1
31	Wall Protection / Corner Protection	1	1
32	Wall Padding	1	1
33	M&E	3	3
34	Fire Stopping	1	1
35	BWIC	1	1
36	Highway Works / S278	4	4

HAWTHORNS SEND NEW BUILD SCHOOL PROPOSAL  
VALUE FOR MONEY REVIEW

37	Road Markings	3	3
38	Surfacing	4	4
39	Soft Landscaping	4	4
40	Fencing	5	5
41	Canopies	3	3
42	Street Furniture	2	2
43	Signage	1	1
44	Play Surfaces	3	3
45	Acoustic Wall Panels	2	2
46	Roof Access	1	1
47	Tree Removal	1	1
48	Sharps Sweep & Pest Control	1	1
49	Reception Counter	1	1

The proposed tender sum based on the information submitted to LMW at the time of writing is £19,655,675.67. This figure comprises of £12,005,231.44 measured works, plus contractors' preliminaries, design fees, design development and risk allowances, an inflation allowance of 3.5% and Robertson Construction overheads and profit of 6.5%.

Within the total construction sum of £19,655,675.67 Robertson Construction have also included for £2,952,238.21 of additional client requests / requirements. These items have been broken down and are also reviewed as part of this VFM report. These are essentially measured works and are split out only for client review requirements.

### 3. PROGRAMME

RCGL have proposed an initial mobilisation and lead in period commencing on the 27<sup>th</sup> March 2023, with a start on site of the main construction works on 3<sup>rd</sup> April 2023 and a practical completion of 2<sup>nd</sup> August 2024. The current programme results in a 70-week construction period.

LMW have no outstanding queries on the proposed programme.

## 4. BENCHMARKING

### Preliminaries

The preliminaries value contained within RCGL's cost submission is £2,320,497.79 which equates to approximately 15.5% of the measured works sub-total. However, this has an allowance for overnight security requested by the client. There is also an allowance for insurances that is usually broken down outside of the prelims. The revised prelims amount for benchmarking is £2,066,237.79 equating to around 13.8% of the measured works.

From the table below, the Building Cost Information Service (BCIS) mean preliminary percentage for contracts with a value over £7.6m in Q1 22 was 11.5% with projects in the upper quartile increasing to 13.7%.

### **Preliminary percentages (value over £7,600,000)**

Quarter	Mean	Lower decile	Lower quartile	Median	Upper quartile	Upper decile	Proportion above zero	Sample size
1Q2021	15.1		10.2	13.8	16.0			10
2Q2021	12.7		7.8	13.9	17.2			6
3Q2021	16.5		11.8	12.8	16.7			5
4Q2021	12.8		10.5	11.4	12.6			6
1Q2022	11.5		8.8	12.3	13.7			6

Looking at preliminary percentages for all construction projects, the mean percentage level in 4Q 22 was 21.9%.

### **Preliminary percentages (All)**

Quarter	Mean	Lower decile	Lower quartile	Median	Upper quartile	Upper decile	Proportion above zero	Sample size
1Q2021	15.0	8.1	10.3	13.3	18.3	24.7	100.0%	49
2Q2021	13.2	6.5	8.7	12.9	17.7	21.2	100.0%	32
3Q2021	17.6	9.1	12.3	17.2	22.5	27.3	100.0%	31
4Q2021	15.9	8.2	10.6	13.7	18.8	27.0	100.0%	44
1Q2022	14.7	8.9	10.8	14.4	16.5	22.3	100.0%	39
2Q2022	15.0	7.8	9.2	14.5	15.6	27.7	100.0%	26
3Q2022	14.0	7.2	8.5	11.8	15.2	22.8	100.0%	21
4Q2022	21.9		15.6	17.4	25.2			5

The preliminary allowance of 13.8% is higher than the average preliminary percentage than that of other construction projects of a similar contract value. In contrast, the proposed preliminary allowance is slightly lower than the average allowance when using cost data taken from all construction project sizes in Q4 22, however the reduced sample size should be noted.

We note that the preliminary allowances are on the upper quartile for projects of a similar size. It should be noted that increased temporary power costs are impacting prelims costs.

### Overheads and Profit

The proposed Overheads and Profit allowance of 6.5% is reasonable and within the expected range based on benchmarking of projects of a similar nature.

### BCIS Construction Cost Review

To allow for benchmark comparisons against industry standard cost data, our value for money review will utilise the 'measured works sub-total' (£12,005,231.44) plus preliminaries, and exclude professional fees, contingency and inflation allowances, external works, and any abnormal costs contained under 'additional client requirements'. This results in a revised sum of £13,215,410.50.

Based on an area of 4,022m<sup>2</sup> the cost per m<sup>2</sup> is £3,286/m<sup>2</sup>.

The BCIS benchmark cost, rebased to Tameside, of new build schools for those with learning disabilities is detailed below.

Building function (Maximum age of projects)	£/m <sup>2</sup> gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
717.2 Schools for those with learning disabilities (15)	2,777	1,891	2,342	2,602	3,245	4,110	13

Utilising the above benchmark data, we can identify that the proposed cost per m<sup>2</sup> falls between the 'upper quartile' and 'highest' ranges when reviewing similar projects in the area and therefore suggests that the proposed build costs (excluding externals and abnormal) represents value for money within an expected range.

A review of key rates against internal benchmark data shows that costs are within expected ranges for schemes of a similar size and nature.

## 5. CONCLUSION AND RECOMMENDATION

Following our review against the BCIS benchmark data and internal benchmark data the proposed construction costs are above average for a project of this size and nature, however the submitted costs are still reasonable and fall within the expected ranges.

As noted in the body of the report 98% of the measured works (by value) have been market tested.

With the allowances outside of the measured works deemed to be within expected ranges LMW considers that the construction costs alone appear to represent current market rates and value for money.