

Project Traffic Light Report

Ref. (if any)

Illustration only

Project

Example Primary School - Remodelling

Report for:

Month

03

Year

2014

Programme

CS Capital Programme Board

Completed By

Jessett, Clifford

Date

01 Apr 2014

Link to Council Priorities

A working city

Decent neighbourhoods

Tackling inequalities

A fit for purpose council

Current Stage

Construction (remodelling) works nearing completion, planning for commissioning and handover to school ongoing

Progress

Summarise tasks completed this month. Detail any tasks not completed with explanation and revised completion date

Changes to the structure have been completed previously and the building has been water-tight since the New Year

Green

Service installations have been completed (electric, telephony, containment for ICT, gas and water). Telephony installations and the new boiler remain to be commissioned. ICT systems remain to be completed and commissioned (by NCC ICT, not LEP)

Internal decoration has been substantially completed

Changes to external landscaping, soft and hard have been delayed

Close liaison has been maintained with Head teacher to maintain safety of wider school site and in preparation for final commissioning and handover of remodelled area to school

Next Steps

Summarise tasks to be completed in the next month

Completion commissioning of M&E works (Mechanical and Electrical).

Completion of decoration work, in particular floor finishes

Combined inspections (LEP/NCC, school to be present) and define agreed snagging list

Schedule formal handover and detailed planning of school move into re-modelled area, to include workshop to introduce staff to new systems (including heating, telephony, security)

Completion of majority of external landscape works during school's Easter closure (safety and working space for contractors)

Agree date for an appropriate school/LEP event to celebrate completion and handover of works; provisionally early June 2014

Benefits / Outputs

Confirm that the project is still on target to meet its objectives (financial and non-financial)

Financial

Amber

Pressure remains on the Capital Budget (mechanical and electrical, M&E installations), see below. The only element of the Revenue Budget that remains uncertain is that relating to the M&E systems (confirm whether modifications to existing heating plant will achieve predicted efficiency savings)

Non-financial

- To create additional school places - on target
- To improve access to the school from the south of the site - on target, landscape works to be completed during Easter school closure
- To help the School improve pupil attainment and Ofsted rating - on target, School Improvement Plan will make full use of remodelled space
- To help facilitate the wider regeneration proposals for the area - on target

Risks

Summarise existing significant risks and actions, noting any risks which are causing concern or proving difficult to control and requiring advice or intervention from the Board

Significant risks (future) remain;

Green

- Completion of the works and handover to school to agreed programme schedule;
- Ensure agreed final inspection and snagging and communication of this to school; and
- Potential impact of works to pre-existing heating system on future Revenue Budget (and environmental performance), refer Issues below

These risks are well defined and understood by the project team and have been discussed with the school (Head teacher).

No additional advice or intervention is required from the Board at this point

Issues

Summarise significant current issues and actions, noting any issues which are causing concern or proving difficult to resolve and requiring advice or intervention from the Board

There is one significant issue (current);

Amber

- A Value Engineering process was undertaken earlier in the project. This suggested that the original proposal to replace the school's existing heating/water boiler with new plant be changed to a detailed inspection and testing of the existing plant and its upgrading.

Inspection (internal) and testing (full) has now been completed (later in the process than had been intended), this indicates that the original boiler is in a worse condition than indicated by the initial (external) inspection. It is questionable whether the existing boiler can be upgraded and the status of any warranty that the LEP/supplier will be able to provide.

With completion of the remodelling works approaching and the need to maintain heating to the existing school buildings there is an urgent need to resolve this issue. Detailed costings (including the impact of delays to

programme, revenue costs and environmental impact) are in preparation with the LEP. These will be available for review by the Board at the time of the next meeting (13April14).

The Board are asked to discuss the options that will be tabled at the meeting and provide a clear definitive decision. This is likely to require the release of project contingency (capital) to enable revenue and environmental targets to be achieved

Dependencies

Detail any new dependencies identified and how these will be managed

There are no new dependencies, the key link for this project remains that with the wider programme of activity managed by the Fairer Housing Unit (FHU)

Capital Budget

Approved budget	£3566206.00
Committed expenditure at last month	£2879525.00
Expenditure committed within month	£323069.00
Forecast total expenditure	£3546200.00

Please explain any variance between expenditure and approved budget

The apparent saving against the Approved budget (Approved budget less Forecast total expenditure) results from non-expenditure of part of the project contingency (retained risk items, G4)

Amber

It may be necessary to assign the remaining contingency to address the condition of the school's pre-existing heating/water plant, refer Reports and Overall Status/Comments below

Revenue Budget

Approved budget	£53028.00
Committed expenditure at last month	£0.00
Expenditure committed within month	£0.00
Forecast total expenditure	£53028.00

Please explain any variance between expenditure and approved budget

No changes to the predicted increase in school revenue budget are anticipated at present.

Green

Addressing the condition of

the school's pre-existing heating/water plant (see Issues above and Reports below) may impact upon the Revenue Budget (and environmental impact) for the project

Other resources

Note any non-financial resource issues

There are no additional non-financial resource issues at this time

Green

Communications

Highlight key activities and any concerns relating to stakeholder engagement

Good, regular liaison is taking place with the school (via Head teacher). The project is approaching an important stage which will see the completion of the works and its handover to the school.

Green

This will require detailed discussions with school staff, for example to ensure a good practical knowledge of new equipment and its operation. Careful planning and co-ordination of final works is required to ensure a smooth, safe completion and handover, for example landscaping works and temporary routes and fencing to the removed during the school's Easter holiday.

LEP have proposed a small event to celebrate completion of works - school will consider and co-ordinate with parents, Governors, Ward Members and LEP

Reports

Note any reports submitted in the past month or needed next month

Formal Progress Report submitted by LEP for February 2014, discussed in detail at Progress Meeting of 13 March 2014 with LEP (school present).

Technical, costed report on pre-existing school heating/water plant - this detailed option report will be tabled at Board of 13 April 2014. Important that this achieves definitive decision (potential delay and indirect delay costs) by Board - refer Issues above

Lessons learned

Detail any lessons (to be) learned from problems addressed or successes achieved

Lessons learned from previous school projects have been taken into account.

A particular issue gained from this project relates to the Value Engineering (VE) process undertaken shortly before the contract award. A VE approach was adopted to ensure the project could be delivered within the available capital budget. Decisions made at this time were based upon pre-existing surveys and inspections. This has proved to be problematic in the case of the school's heating/water plant. Only an external inspection was possible initially (school remained operational during term time and so needed heating). It was recommended that the plant be replaced. Subsequent VE was undertaken with no further inspection or testing of the plant. When the Contractor gained access to the heating plant it was found to be in a far worse condition than indicated by the initial, external inspection.

The recommendation coming from this experience would appear to be to either; undertake a rigorous initial inspection (e.g. full internal and external inspection during school break early in the design process); or when undertaking VE exercise increase contingencies to address increased potential risk resulting from increased uncertainty; or support VE decisions with further, detailed internal inspection.

It is suggested that this approach to risk management should be used on other projects and in wider areas i.e. it is not limited to M&E issues but applies across projects demonstrating need to maintain a current register of risks

Overall status / Comments

*Provide a brief general overview, noting specifically any potential changes to timescale, budget or scope
Please indicate direction of travel (improving, no change or deteriorating) as well as RAG status*

The project is generally progressing well with completion currently anticipated to be on programme and within budget.

The principal issue of concern at present relates to the condition of the pre-existing school heating/water plant. The issue is being managed in a rigorous way and needs to be resolved at the Board of 13 April 2014 (papers will be provided on the day) to avoid any additional direct or indirect (potential for delayed completion) costs

Green

No change

Queries / Recommendations

Please use this space to highlight specific queries or recommendations for response from the Board

This project needs a prompt and clear response from the Board (13 April 2014) to the Issue identified above (Technical, costed options report on pre-existing school heating/water plant)

BOARD RESPONSE

Board

- ACS Transformation
- ACS Operational Services

- ACS Business Management
- ACS Strategic Commissioning
- ACS Culture, Libraries and Lifelong Learning
- CS Directorate Programme Board
- CS Capital Programme Board
- CS LAC Programme Board
- ER Business Improvement
- ER Climate Change & Environment
- ER Planning, Housing and Transport
- ER Highways, Transport and Traffic Signals
- CD FR - Audit & Risk
- CD FR - Property & Asset Management
- CD FR - Programmes & Major Projects
- CD FR - Finance
- CD Policy, Strategy & Communications Development Strategy
- CD Corporate Services
- WCB Enterprise & Relations with Business - Enterprise
- WCB Enterprise & Relations with Business - Relations with Business
- WCB Employability & Skills
- WCB Accelerated Development Zone
- WCB North Bank of the Tyne
- WCB Broadband

Meeting date

Comments

Recommendations

Tick if formal change request required

Outstanding issues to be escalated

Submit to*

- Lindsey Cooper
- Janette Brown
- Andy Graham
- Neil Golightly