

Parish Hall Project Investigation- Report to Council

Following the completion of the Parish Hall Project, and concerns raised at the meeting of the Council held on 1 September 2022, Members have carried out a full and in-depth investigation of the project; questioning the Quantity Surveyor and Clerk to address the issues raised. This report is the completed findings of the investigation, the Council accept that while there are lessons to be taken from the project, no further action is to be taken on this matter.

Prepared by the Quantity Surveyor from Mascot Management Limited and Charlotte Taylor, the Clerk to the Council.

Note from the Clerk – I have tried to respond to all questions raised, with supporting evidence where available/applicable. I appreciate that this is a lot of information to present in one report, and also that Council have been presented with huge volumes of information in relation to this project over the past 3 and half years, and beyond.

There is some repetition in questions, but I have kept all in for completeness, even where the responses may be the same or similar.

I believe the project has been a success for the Council, and although not without issues, I think the Council should be proud of completing the project within two weeks of the original timescale and at just over 2% of the original build budget, during unprecedented economically challenging times (which couldn't have been foreseen when the project commenced).

I understand the importance of evaluating any project, so lessons can be taken to improve our service, and the delivery of future projects. I hope this report will help the Council to identify what has gone well, and where we can look at areas for improvement or development.

I have made reference in the report to the amount of time this project has taken me over the past couple of years, but I would also like to highlight the huge time commitment from many members of the Council and express my thanks for all of the assistance they have provided in delivering this project.

1. Why were Council not advised that there wasn't a signed contract prior to works commencing, but reference was made to a contract?

Mascot confirmed that there has always been a contract in place which all parties have been working towards, it was pending the inclusion of the updated M&E drawings to be provided by one of Briddons subcontractors prior to signing. The contract that was referred to is the contract which has now been signed.

Mascot have advised that it is not unusual with a Design and Build contract for parties to commence works prior to signing the contract. From my research online, this is supported; it is advisable to have a signed contract in place, but if there is a delay then there should be a contract and an understanding by both parties of the deliverables (this was in place prior to the project commencing).

Briddons were issued with an award letter following the tender process and subsequently a letter of intent. Briddons have submitted payment notices to Mascot following the completion of elements of the project, and Mascot have undertaken a valuation exercise on receipt of each payment notice and before invoices were raised and submitted to the Parish Council.

The original contract has now been signed by both all parties (£915,940) the variations have already been presented and approved by Council.

2. Why was there a delay in the signing of the contract?

To remove any possible risk from the contract in terms of delays or additional cost to the client, the contract documents should all match. For example, the drawings and specification included in the contract should match the price calculated by the contractor and accepted by the client. Due to several last-minute changes to the mechanical and electrical proposals, we were waiting for updated drawings from Briddons mechanical and electrical sub-contractor. Due to these being late, we were in a position where Briddons had priced for the alterations, but they were not reflected on the contract drawings causing a discrepancy in the information included in the contract. We were waiting to obtain the correct information.

3. Why was there only one signature from each party on the contract?

The JCT (Joint Contracts Tribunal) has three different ways of executing the contract. 1. By two directors, 2, by a director and a company secretary, 3, as an individual. As the Parish Council do not have any directors, the only way to sign the contract was for an individual to sign. This was done by Charlotte Taylor, Council Clerk.

4. Are Council working to the letter of intent or the contract?

The Council are working to the contract, the letter of intent was to authorise a sum prior to commencement to order goods with a long lead time to prevent delays as the project progresses. The contract, as soon as it is signed, supersedes the letter of intent making it obsolete.

5. Why haven't increased costs been brought to the Council?

All increased costs have been presented to Council for approval:

Variations 1-4 were presented to Council at the June meeting - 20220609-8.11 <https://www.wingerworthparishcouncil.gov.uk/uploads/20220609-minutes.pdf> [2022-06-09 Council Meeting Papers | Wingerworth Parish Council](#)

Variation 1 – Existing floor to Stage

Variation 2 – Damp to Library Road

Variation 3 – Replacement of defective roof timbers

Variation 4 – Steelworks to library roof

Variation 5 was presented to Council at the July meeting - 20220714-7.3 [20220714 Council Meeting Papers | Wingerworth Parish Council](#)

Variation 5 – Repairs to rotted timbers in Mansard Roof

Report to Council [agenda-item-73-report-to-wingerworth-parish-council-rmg-update.pdf \(wingerworthparishcouncil.gov.uk\)](#)

7.3.1 Approval of additional expenditure of £19,887 for the Parish Hall build project (details set out in Agenda Item 7.3 Parish Hall Project Update Report).

Contract Sum	£915,940
Additional Costs	£12,972

Additional Costs	£6,915
Total Additional Costs	£19,887
Total Build Cost	£935,827

6. Why is there a discrepancy in the amounts presented to Council at the meeting held on 14 April 2022? (£907,460 versus £915,940)

The contract sum presented at the meeting held on 14 April 2022 was £907,460. Council requested that the tender process was undertaken on a like for like basis so cost comparisons could be undertaken between the project costs from the Scape Framework and the open tender process. This excluded a new roof on the small hall and external works to the small hall.

Council resolved at the meeting held on 14 April 2022 to accept the contract sum, with the additional costs of £8,480 to include these extra elements; bringing the contract sum to £915,940.

The roof elements included in the original tender documents are to the other sections of the building. The changes to the original schedule are listed below:

- VE item 7.0 – Glazed timber doors, £2000 extra as Briddons are now constructing a stud wall with plasterboard and skim either side where they were originally to include a pair of timber doors.
- VE item 11 – We have omitted the saving for the signage. This has added an additional £1500 to the costs
- VE item 16 – In April, Briddons had included a sum of £4500 to cover the highways works. This is when they were still in discussion with Highways for the pavement closure. Following these discussions and the reluctance from Highways to close the pavement, diverting to the opposite side of the road where the bus stop is, Briddons had to add costs for the scaffold. The scaffold now bridges the pavement meaning that pedestrians can walk beneath. This is not a fault of the Council or Briddon, it is a request from Highways. A new cost included by Briddons is £7480. An addition of £2,980
- VE item 18 – Works to neighboring property (Pat & Ian). In April, Briddons had included £1500 in their costs for relocating the flue pipe so as not to discharge onto Pat and Ian’s garden. Further discussions were had with the neighbours which meant that additional works were included to that façade of the parish hall. These included repointing any gaps in the mortar of the wall and blocking up existing ducts with matching stone. This increased the costs to £3500, a £2000 addition.
- These four items total the £8,480 difference in costs.

[20220414-minutes.pdf \(wingerworthparishcouncil.gov.uk\)](#)

20220414-6.10

Information: 6.10 NOTED - Mascot reported that the way the project has been procured on a design and build contract, which provides a fixed cost as far as possible, subject to any issues located when the strip out takes place. Following this there should be no further implications on the costs and Mascot will support with the monitoring of costs throughout the project. This means there is no risk with increases in inflation, materials, fuel etc. The major outstanding risk is the timber trusses, and lead times/availabilities of materials

20220414-6.10 RESOLVED – To proceed with the Parish Hall Project, to include a new roof and repointing to the small hall, and to agree a contract sum of £915,940 was unanimously approved by the Council.

See Appendix One – Contract Sum Analysis (agenda item 20220414-6.10)

There was a query regarding a delay in approving the minutes of the meeting held on 14 April 2022, there were in fact approved at the next meeting;

20220512-7 The Minutes of the Council Meeting held on Thursday 14 April 2022 were confirmed as a true record and were signed by the Chair.

20220512-8.12 – Council approved a cashflow forecast and payments dates for the Parish Hall project (Contract Sum £915,940) [20220512-minutes.pdf](#) (wingerworthparishcouncil.gov.uk)

7. What information was presented to Council at the meeting held on 14 April 2022?

The contract sum analysis was presented to Council at the meeting held on 14 April 2022, Mascot were in attendance to answer any queries.

See Appendix One – Contract Sum Analysis (agenda item 20220414-6.10)

[2022-04-14 Council Meeting Papers | Wingerworth Parish Council](#)

8. Why have Council been provided with inaccurate information? Specifically, around variations 1-4, and then an additional variation 5?

Council were presented with variations 1-4 and variation 5, this information has not changed since the time of presenting to Council?

Can Council confirm what inaccurate information has been presented so we can respond to this?

9. Why were these risks not being identified earlier in the process; and, where appropriate, identify if possible to submit a claim for costs against the relevant party's Professional Indemnity Insurance? (Council suggest that Mascot consider whether or not the Contractor's claim for extras for timbers in the toilet roof and works to level up the stage floor should be revisited in light of this information?)

Please see the Drawings provided below:

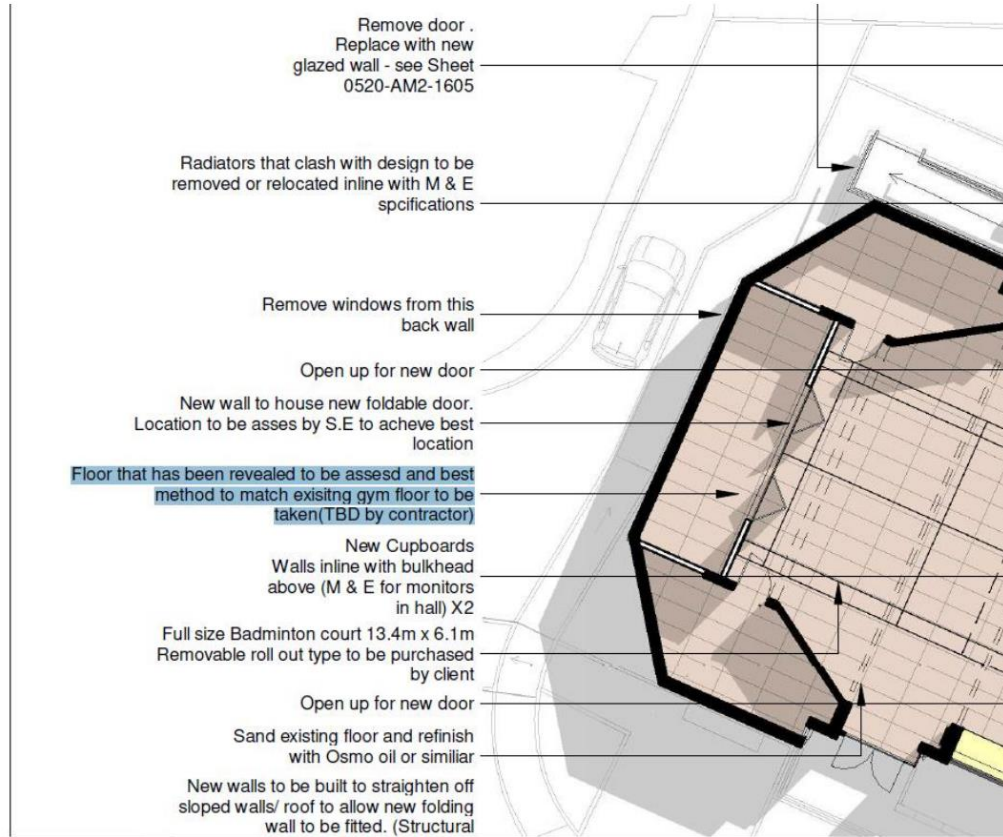
Page 3 of 1.1.1 0520-AM2, Wingerworth Parish Hall, Technical Pack where AM2 Architects noted that there was an issue under the floor of the stage, which needed to be resolved and that the contractor was to design a solution - Briddons had omitted this from their tendered sum due to the lack of information provided on AM2 drawings. Stating that there is an issue under the stage with the floor does not give enough information for a contractor to accurately price, therefore they would have included a sum to cover the risk. The way that we have dealt with this issue is the most cost-effective way of rectifying the works. We waited until the stage had been removed so the full extent of the works to the floor could be seen and costed accurately

Drawing 1.2.2 GFT01802 200313 Site Visit Findings – advised of Fungal decay in flat roof areas - - Again, there is not enough information in the GFT drawings to accurately price the replacement timber works. Briddons could have taken the comments literally and allowed a sum within the tender to replace all timbers across the flat roof areas. Instead, they had waited until the strip out works had been done and the condition of existing timbers could be seen. Therefore, the council only paid for the areas where timbers were in a poor condition. Again, the most cost-effective way of dealing with an issue like this on a refurbishment project.

I should add to this, Briddons are very experienced in refurbishment projects, which was telling in their quality submission during the tender process. It's also worth noting the additional work that they have undertaken off their own back for the betterment of the project without charging the council.

Drawing on Page 3 of 1.1.1 0520-AM2, Wingerworth Parish Hall, Technical Pack

Floor that has been revealed to be assessed and best method to match existing gym floor to be taken (TBD by contractor)



Extract from 1.2.2 GFT01802 200313 Site Visit Findings – Fungal decay in flat roof

GFT01802 - Wingerworth
Site Visit Findings
13/03/20
MPW



10. Why was the Value Engineering contingency sum removed?

The Value Engineering part of the costs had been firmed up so a contingency wouldn't be required.

11. Why has there been an increase in the loan repayments and when were Council notified of this?

Council resolved to apply for a loan of £932,000, throughout the course of preparing the business case and agreeing to apply to the Secretary of State for approval for the application of a loan, several examples of indicative rates have been provided to the Council. Furthermore, Council have always been advised that the interest rates are set twice a day and the interest rate applied would be the published amount of the PWLB website at the point of drawing down the loan.

<https://www.dmo.gov.uk/responsibilities/local-authority-lending-pwlb/about-pwlb/>

12. Have there been any significant issues with the project?

No, in my experience of refurbishment projects of this nature, this project has gone very well. Although we have had additional costs crop up, we have not encountered any horror stories. Two or three of the variations have been for the betterment, such as the dampproof works and the replacement steel to the library.

13. What lessons can be learnt?

In my experience, the project has gone well. There have been additional costs from issues encountered during the works. There is a fine line in managing these costs pre-contract. The council could spend a lot of money on surveys etc. to bottom out all unknowns before the works commence, however, the risk could never be fully omitted. I believe the way these additions have occurred has been the most cost-effective way to deal with it. If you take the rotten roof timbers for example, a survey could have been commissioned and several hundreds, if not thousands of pounds, for the timbers still to be replaced.

I do appreciate that additional costs come as a surprise and are never nice to incur, but I do believe we have got away lightly given the type of project.

14. What processes can be put in place to ensure project information is fed back to Council to ensure expectations are understood and there is complete transparency?

Council could consider providing a standard template for reporting agenda items so there is a consistent approach and format, along with full information provided for any proposals presented to Council. This would form the basis for any resolutions, along with setting the expectations for reporting back to Council (timescales/frequency).

If any information has not been shared with Council, I would suggest that this is an oversight due to workload rather than a lack of understanding of the requirement for transparency. However, if Council feel there has been any errors by the Clerk, I would be happy to work with Council to ensure that clearer expectations are understood in the future, and undertake any training it is felt may be required?

The Parish Hall Project has been extremely time consuming for a number of years, but particularly since the start of 2022, and the commencement of the project. Council didn't make any adjustments to the Clerk's workload or allocate any additional working hours to support a large and significant project for the parish; this was done in conjunction with all other statutory tasks and actions agreed by the Council.

I would suggest that if Council wish to take on any significant projects in the future, consideration is given to the impact of employees working hours and reasonable adjustments are made to reflect this?

15. What processes can be put in place to ensure working groups are provided with a clear remit?

Council could consider providing a standard template for reporting agenda items so there is complete clarity and full information provided for any proposals presented to Council. This would form the basis for any resolutions, along with a remit for the Clerk or Working Group delegated to action the item?

16. What processes can be put in place to ensure communications from a “Council representative” in the media, or comments made on Social Media, are acknowledged as not being a view of the entire Council?

Council has a Social Media Policy and could consider a Communications Policy or Strategy to provide clarity for all members on Council communications? This could include all members having a disclaimer on emails/personal Social Media pages?

<https://www.wingerworthparishcouncil.gov.uk/uploads/wingerworthparishcouncilsocialmediapolicy.pdf>

Example of email disclaimer:

“Disclaimer: The views expressed are personal and may not reflect those of Wingerworth Parish Council, unless explicitly stated otherwise. The information contained herein is confidential and may also be subject to legal privilege. It is intended for the addressee only. Anyone reading this e-mail, other than the addressee, is hereby notified that any unauthorised disclosure or copying of its contents is strictly prohibited.”

I believe some of this will be addressed by the Communications Proposal included with the Future Proofing Wingerworth Report?

Addendum Questions

17. The remit of the working group, what was their remit (did not have one after the last tender and the formation of the group again in FEB 22) - Was it to negotiate a third-party agreement?

The remit has never been to negotiate a third-party agreement, the tender and contract sum were all presented to Council for a decision. The Working Group undertook the following tasks during the period which were all presented to Council.

20220714-7.3.1 RESOLVED – To proceed with the proposal from the Remodelling Working Group to retender the remodelling project through an open tender process using the definitive specification and a single phased operation, with specialist support from Mascot Management (Mascot had already been appointed following a tender process) and where appropriate NEDDC Procurement Team.

20211014-6.12 NOTED: Remodelling Group Update including Timelines.

<https://www.wingerworthparishcouncil.gov.uk/2021-10-14.html>

18. Agree on a 6 monthly repayment.

The half yearly repayments dates are set by the PWLB, the only flexibility offered is the dates the payments are to be made and as suggested this is in line with precept payments (providing a buffer of a month in the event of a late payment of the precept in the future).

5. It is open to borrowers to choose their own half-yearly payment days, for example to coincide with the repayment days of existing loans or with regular income such as a precept. Loans must mature on a repayment date.

19. Should have the council be informed of total cost. Including the interest

Council resolved to apply for a loan of £932,000, throughout the course of preparing the business case and agreeing to apply to the Secretary of State for approval for the application of a loan, several examples of indicative rates have been provided to the Council. Furthermore, Council have always been advised that the interest rates are set twice a day and the interest rate applied would be the published amount of the PWLB website at the point of drawing down the loan.

<https://www.dmo.gov.uk/responsibilities/local-authority-lending-pwlb/about-pwlb/>

The Finance Committee reported this to Council at the September meeting along with a full repayment schedule.

Amount borrowed	GBP £932,000.00
Deal Date	28-Mar-2022
Settlement Date	04-Apr-2022
Maturity Date	04-Apr-2052
Term	30 years 0 months
Standard Interest Rate	2.930%
Annual Interest Rate	2.930%
Fee Paid	GBP £326.20
Annual Repayment	£46,908.50
Payment Dates Annually	4 October - £23,454.25 4 April - £23,454.25

20. It is clear that the working group had not seen even a draft copy of a contract as they seem to be working from the letter of intent so were possibly not aware of the Changes to spec from the letter of intent to what we had got i.e., no dividing wall or raised floor (both in the letter of intent, that must have been in the tender document) no adult changing in accessible toilet?

Full Council were presented with a copy of the contract on 21 October 2021, I don't believe any members of the Working Group were working towards the letter of intent?

<https://www.wingerworthparishcouncil.gov.uk/2021-10-21.html>

21. Why was the group not aware of the completion? Date in contract and extended work schedule?

Timescales have been reported to Council on a couple of occasions including at the meeting held on 14 October 2021. This includes the anticipated project timescales.

<https://www.wingerworthparishcouncil.gov.uk/2021-10-14.html>

Agenda Item 6.12 Update Report from Remodelling Group

The Remodelling Group, with support from Mascot Management, are in the process of completing the review of tenders for the remodelling project. The initial costs appear competitive, but they are subject to a cost comparison exercise to ensure that the specification tendered on matches the original quotes prepared by GF Tomlinson.

Initial project timescales also appear to be in a similar region, ranging from 24-30 weeks.

Following the submission of tenders there is a standstill period of 14 days, once this period has expired and the tender review is complete a meeting will be arranged with the contractor awarded the tender (this will be subject to a number of conditions and no contracts will be signed or agreed at this stage).

Once the costs, plans and specifications have been reviewed with the contractor, a meeting of the Council will be held at the beginning of November to present the tender and business case; including financial presentation. It is anticipated that the earliest start date for the project to commence would be January 2022, running through to July/August 2022.

22. Should the council not need to approve everything.

Council should approve all decisions unless these have been delegated to the Clerk, a Committee or a Working Group.

23. Did any member of the working group suggest somethings should not be published, or kept back?

To my knowledge all information has been presented to Council, the commencement of this project is a culmination of more than 10 years of work and there is a lot of information, current and historical related to the project. I am not aware that any information has intentionally been with-held from Council.

24. I understand it's the clerk's job to feed back to council on all financial and legal matters? Why was this not reported see below (Loan/Precept).

Originally base on Approx. £38,000 over 25 years (£950,000) would include the VAT pay back. Now standing at £46,908.50 over 30 years (£1,407,255) interest of £475,254. The budget was set at £43k (25yrs £1.0750 (30yrs £1,290). We have taken at least 2 years precept for this from the residents.

And now have additional 30 years the council was not informed of the increases? Finance committee had to ask.

PWLB information - Council resolved 20211021-5.5: To seek the approval of the Secretary of State for the Department for Levelling Up, Housing and Communities to apply for a Public Works Loan Board loan of £932,000 over the borrowing term of 30 years to Remodelling Wingerworth Parish Hall. The annual loan repayments will come to around £42,686 (*it is difficult to put exact figures on repayment values as they are decided on the day upon which the loan is drawn down, for comparison purposes the interest rate on the loan is 2.930% the rate as on 4 October 2022 is 5.10%*). Minutes of the meeting attached and the repayment schedule.

The borrowing term was always agreed as 30 years and this has not changed so I don't believe there is any additional length to the loan, the commencement date of the loan was pushed back due to delays in the project as set out below:

In October 2019, the SCAPE appointed Framework Contractor submitted their proposals with costs in the region of £850,000. The Parish Council accepted their proposal as affordable and they were instructed to go out to tender, however this this was delayed by the pandemic.

In November 2019 the Parish Council procured through Contracts Finder the support of an Independent Assessor, to support the Council to deliver the project to time and cost.

In May 2020, the framework contractor submitted their tender price of £1,222,000 excluding VAT. The Council rejected this offer as wholly unaffordable. A Value Engineering exercise was undertaken to seek ways of reducing the Tender to a more affordable level and this was carried out with the support of NEDDC and SCAPE.

In September 2020, the framework contractor submitted a final offer of £931,000. The Parish Council rejected this offer as being still unaffordable. The continuing impact of the pandemic put the project on hold. In May 2021, the Parish Council decided to retender the project in an open tender exercise utilising the same specification previously agreed. This was as much to test the competitiveness of the original tender price of £1,222,000. With the support of NEDDC Procurement and the Independent Assessor, the opportunity was advertised in July 2021 on the Contracts Finder website and through the District Council's portal; In-Tend.

In September 2021, five companies responded with offers in the range of £860,000 - £1,161,700. A full tender evaluation was undertaken and the Parish Council have proposed HA Briddon Ltd as the preferred contractor with a contract sum of £915,940. There has been an increase of £19,887 bringing the total build cost to £935,827.

25. Contract, should the council not have seen this along with the letter of intent?

Council were presented with the contract at the meeting held on 21 October 2021 [2021-10-21 Council Meeting Papers | Wingerworth Parish Council](#)

Technical Pack [agenda-item-53-0520-a1.pdf \(wingerworthparishcouncil.gov.uk\)](#)

Architecture Specification [agenda-item-53-0520-architectural-specification.pdf \(wingerworthparishcouncil.gov.uk\)](#)

26. Weeks gone from 22 weeks to 26 weeks this has to increase the costs on site, storage, payments to users, etc.

We have had one additional week which was due to the variations in the library, namely the tanking for damp and installing a steel to help support the roof, this was presented in the variations and hasn't had any further impact on prelims. The other time from tender to contract has been covered by Briddons.

All known additional costs, including variations have been presented to Council.

27. What are the terms of third-party agreement?

It is unclear which third-party agreements are being referred to? If Council can advise we can respond to this question.

28. Why was there not a reserve put in as we have always known that there may be some needed?

Council have been advised that The Value Engineering part of the costs had been firmed up so a contingency wouldn't be required for the Design & Build Contract. Council set aside £160,000 of reserves for the Parish Hall Project in 2022/23 budget.

29. Was the final/fixed price a little vague?

I don't believe it was? The contract sum (which it has always been indicated is not a final or fixed price) was presented to Council at the April and May meetings – see the response to Question 6 for full details.

20220414-6.10 Council resolved to proceed with the Parish Hall Project, to include a new roof and repointing to the small hall, and to agree a contract sum of £915,940 was unanimously approved by the Council. <https://www.wingerworthparishcouncil.gov.uk/uploads/20220414-minutes.pdf>

20220512-8.12 – Council approved a cashflow forecast and payments dates for the Parish Hall project (Contract Sum £915,940) [20220512-minutes.pdf \(wingerworthparishcouncil.gov.uk\)](#)

30. Business plan - was this agreed and sign off by council?

Yes, Council approved the submission of the updated business case, as presented at the meeting held on 21 October 2021 [2021-10-21 Council Meeting Papers | Wingerworth Parish Council](#)

20211021-5.4 Council completed a review of the updated business case to be submitted the updated business case for submission to the Secretary of State for the Department for Levelling Up, Housing and Communities. [20211021minutes.pdf \(wingerworthparishcouncil.gov.uk\)](#)

20211209-6.10 Remodelling Project: Update Report - The Chief Officer at Derbyshire Association for Local Councils reviewed the Business Case and supporting information for the Loan Sanction Application; this was forwarded to the Local Government Finance Directorate Department for Levelling Up, Housing and Communities on 8 November 2021. We are waiting for a decision from the Department.

31. Next steps; How are we going to address these issues and inform the public?

Council to resolve if they wish to make the Report to Council public to inform them of all issues related to the Parish Hall Project and how Council propose to address them?

Council may also consider working with Communications Group to draft a press release to summarise the information contained within the report and publish online and in Wings?

32. Pay some loan off early?

It is possible to pay off some of the loan early if Council wish. Please see the update from the PWLB below:

Premature repayments are permissible after one year since settlement or one year before maturity of the loan.

Please see the technical notes on the link below for further information;

<https://www.dmo.gov.uk/responsibilities/local-authority-lending/technical-notes/>

Appendix One – Contract Sum Analysis (agenda item 20220414-6.10)

WINGERWORTH PARISH HALL REFURBISHMENTS

1.0 - CONTRACT SUM ANALYSIS - MAIN SUMMARY

Ref.	Item	Total
1.0	Design Fees	£ 18,335.00
2.0	Post-Contract Preliminaries	£ 105,785.00
3.0	Measured Work	£ 803,268.25
4.0	Provisional Sums	£ -
-	Total Contract Works (Excl. VAT)	£ 927,388.25
5.0	Value Engineering Schedule	-£ 22,122.00
6.0	Adjustment as agreed to cover additional inflation rise	2,193.75
-	Total Estimate of Scheme Costs (Excl. VAT)	£ 907,460.00