

Our ref: OM S151

Mike Green
Director General
Operations Directorate
Department for Education
5th Floor Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

20th May 2019

Dear Mr Green

Priority School Building Programme MV West Midlands 2 – Capital Contribution relating to additional works at Oscott Manor School, 84a Old Oscott Hill, Birmingham B44 9SP

Birmingham City Council (*the "Council"*) is aware that Oscott Manor School (*the "School"*) is to be rebuilt as part of the Priority Schools Building Programme (PSBP). The Council acknowledges that the Secretary of State for Education (*the "Secretary of State"*) intends to enter into a Design and Build Contract (*the "Contract"*) for the carrying out of design and construction work relating to the School. The Council wishes to use this opportunity to incorporate additional works at the School via the Contract that are over and above the Department for Education's (DfE) control option, specifically:

- An additional 431m² of accommodation to support an increased PAN from 92 to 120 (*the "Additional Works"*)

To progress this matter the Council agrees to the following.

Capital Contribution

It is the Council's intention to provide a capital contribution of £1,400,000.00 plus VAT (*the "Contribution"*) for the provision of the Additional Works. The Council acknowledges that this figure is an estimate only and that the total cost of the Additional Works, and therefore the Contribution, may be higher or lower than this estimate. The Council is aware that the DfE will invoice only once the final cost for the Additional Works has been confirmed and agreed with the Council, and the Council agrees to pay this amount (whether it is more or less than the original estimate) in accordance with the arrangements set out below.

Challenge Process

Once the DfE has concluded the final design in line with the planning requirements, both parties will have a firm understanding of what the final costs for the Additional Works will be before the works commence on site. At this point the Council can evaluate these costs, which will be provided on an open book basis to the Council, prior to agreeing the Contribution with the DfE.

Additional Costs once in Contract

In addition, the Council acknowledges that the Additional Works are being procured on behalf of the Council and therefore agrees to reimburse the DfE for any additional costs properly payable by the DfE to the Contractor under the Contract which directly relate to the Additional Works.

The DfE will notify the Council upon receipt of any legitimate claim for such costs and will keep the Council informed as the DfE seeks to agree a figure with the Contractor. The Council agrees to pay any further contribution in accordance with the invoicing arrangements set out below.

Abortive costs associated with cancellation of the proposal

If the Council decides not to go ahead with the provision of any or all of the Additional Works then the Council agrees to pay any costs properly incurred by the DfE in relation to any abortive design and project management costs associated with the incorporation of the Additional Works into the Contract.

Matters not Funded by the PSBP

The Council acknowledges that the PSBP does not fund any off-site works, including but not limited to works required under the Town and Country Planning Act 1990 (including but not limited to section 106 works) or the Highways Act 1980 (including but not limited to section 278 works). The Council acknowledges that should any such works be necessary then the Council will be required to fund the costs of them in addition to the figure referred to above.

Contractual position

The Council acknowledges that, in order to procure the construction of the proposed items on behalf of the Council, the DfE will be the 'client' for the purposes of the Contract for the overall project at the School.

Payment

The Council agrees to pay the Contribution (and any further contribution) including VAT as agreed in accordance with this letter within 30 working days of receipt of an invoice from the DfE *and in the case of the Contribution prior to the Secretary of State executing the Contract*. The invoice shall be issued to Birmingham City Council, and addressed for the attention of Mrs Jaswinder Didially, Education Infrastructure, PO Box 15843, 1 Lancaster Circus, Birmingham, B2 2RT

The Council confirms that the cost code to be used on all invoices relating to this matter is: CA-01903-02-1-225

Yours Sincerely,



Clive Heaphy

Chief Finance Officer
Finance and Governance