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OPERATIONAL MARGIN COCKPIT™ · VARIATION PIPELINE SUMMARY

Variation Pipeline

Aggregated variation values across all contracts by status — from initial draft through to invoiced recovery. Feeds from Commercial Control Kit™ where deployed. Period ending 30 April 2026.

PIPELINE TOTAL £482k 26 items · 6 contracts	DRAFTED £68k 4 items	SUBMITTED £134k 7 items
UNDER REVIEW £86k 5 items	APPROVED £146k 6 items	AT RISK £28k 2 disputed

01

Pipeline Summary

The variation pipeline stands at £482k across 26 items and six contracts. Of this, **£146k is approved** (30%) and a further **£134k is submitted and awaiting client response** (28%). The pipeline is healthy in structure — the majority of value is in mid-to-late stages — but two key items require action to prevent entitlement risk.

The highest-value single variation is the **Whitmore Tower asbestos scope change** (£62.4k), approved this period after a two-month negotiation. This was the primary driver of the +0.6pp margin improvement in April. The next critical item is the **Mersey Gateway re-measure claim** (£31k, submitted) which has a client deadline of 15 May.

Two items totalling **£28k are disputed** — both on the Riverside FM contract relating to SLA deductions. These are currently being escalated by the Commercial Director and are not expected to be resolved within this reporting period.

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Pipeline Funnel

£482K TOTAL

£68k	£134k	£86k	£146k	£28k	£20k
DRAFTED	SUBMITTED	UNDER REVIEW	APPROVED	DISPUTED	INVOICED
4 items	7 items	5 items	6 items	2 items	2 items

03

Contract Breakdown

CONTRACT	DRAFTED	SUBMITTED	UNDER REVIEW	APPROVED	DISPUTED	INVOICED	
Whitmore Tower CBRE · Refurb	8,200	14,600	—	62,400	—	—	
Mersey Gateway Peel Group · Services	—	31,000	24,400	18,200	—	8,400	
Cathedral Quarter ISG · Fitout	22,400	38,600	12,800	8,400	—	—	
Pennine Pkg C Kier · Works package	18,400	22,800	18,200	12,600	—	11,600	
Docklands Phase 2 Lendlease · Construction	19,000	27,000	—	24,400	—	—	
Riverside FM Mitie · FM Yr 2	—	—	30,600	20,000	28,000	—	
Total	68,000	134,000	86,000	146,000	28,000	20,000	48

04

Key Variations — Detail

APPROVED THIS PERIOD

Whitmore Tower — Asbestos Scope

£62,400

VAR-WT-007 · CBRE · Approved 18 April 2026

Asbestos discovered during strip-out works on Level 3. Notice issued within 48 hours via Commercial Control Kit™. Specialist removal, additional prelims and programme impact valued at £68k. Agreed at £62.4k after negotiation — a **92% recovery rate**. Now included in the April margin position (+£62.4k to portfolio margin).

Margin impact: This single approval was the primary driver of the +0.6pp margin improvement in April. Without it, portfolio margin would have declined for a fourth consecutive period.

CRITICAL DEADLINE

Mersey Gateway — Re-measure Claim

£31,000

VAR-MG-004 · Peel Group · Submitted 12 April 2026

Re-measurement of ductwork quantities following design change. Original submission queried by Peel Group — they requested additional measurement evidence. Commercial Director needs to approve the revised narrative before resubmission. **Client deadline: 15 May 2026.** Missing this deadline risks losing the entitlement window entirely.

Decision required: Commercial Director to approve re-measure claim by 9 May, allowing 6 days for preparation before the client deadline.

DISPUTED · £28K

Riverside FM — SLA Deductions

Two deductions (P1 response time £4.8k, evidence gap £3.2k) plus counter-claim for additional reactive works (£20k). Mitie has rejected the counter-claim. Commercial Director escalating through the contract dispute process.

Owner: C. Dean · **Expected resolution:** 6–8 weeks

IN DRAFT · £22.4K

Cathedral Quarter — Design Change

Architect-led design change affecting M&E containment routes on Levels 4–5. Variation notice issued. Narrative being drafted with cause/effect analysis. Target submission: 16 May.

Owner: J. Palmer · **Est. value:** £22.4k

UNDER REVIEW · £30.6K

Riverside FM — Additional Reactives

Claim for additional reactive works above contractual volume cap. Submitted March, Mitie QS reviewing. Linked to the disputed deductions — resolution may be negotiated together.

Owner: C. Dean · **Est. agreement:** June

05

Recovery Performance

CONVERSION FUNNEL — ROLLING 6 MONTHS

Drafted → Submitted — 94%

Avg 8 days from draft to submission

Submitted → Approved — 82%

Avg 24 days from submission to approval

Approved → Invoiced — 68%

Avg 18 days from approval to inclusion in application. **Gap: some approved variations not being included in the next billing cycle.**

End-to-end recovery — 76%

Of every £1 of variation identified, £0.76 is eventually recovered and invoiced

MARGIN IMPACT OF PIPELINE

+0.6pp — **This period.** £62.4k Whitmore approval added 0.6pp to blended margin — the difference between a declining and improving trend.

+0.8pp — **If pipeline converts.** Approval of submitted + under-review items (£220k) at 82% recovery would add a further 0.8pp, bringing margin to ~22.2% — above target.

-0.2pp — **If disputed items lost.** £28k Riverside FM dispute represents 0.2pp of margin. Currently treated as at-risk and excluded from the approved position.

Connected workflow: The variation pipeline is fed by the Commercial Control Kit™ workflow, which structures change capture, evidence organisation and narrative drafting. Contracts using the Kit (Whitmore, Mersey Gateway, Pennine) have an average recovery rate of **87%** vs **56%** on Riverside FM where it is not yet deployed.

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Pipeline Actions

ACTION 1 · CRITICAL

Approve Mersey Gateway re-measure

Commercial Director to approve revised narrative by 9 May. Client deadline 15 May. Value: £31k. Losing entitlement window would be permanent.

Owner: C. Dean · **By:** 9 May

ACTION 2 · HIGH

Submit Cathedral Quarter design change

Complete cause/effect narrative and submit to ISG. Variation notice already issued. Target submission 16 May. Value: £22.4k.

Owner: J. Palmer · **By:** 16 May

ACTION 3 · PROCESS

Include approved variations in next billing

£126k of approved variations not yet invoiced. Ensure all approved items are included in next monthly application cycle. Gap between approval and invoicing averaging 18 days — should be immediate.

Owner: K. Hughes · **By:** Next billing cycle