

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	WARD END PARK LAKESIDE RENEWAL PROJECT EXTERNAL FUNDING ACCEPTANCE		
Voyager code	TBC		
Portfolio /Committee	Street Scene and Parks	Directorate	Neighbourhoods
Approved by Project Sponsor	Rob James (TBC)	Approved by Finance Business Partner	Parmjit Phipps

A2. Outline Business Case approval *(Date and approving body)*

31st July 2018 Cabinet

A3. Project Description

The focus of the project is the refurbishment of the Park and Dolphin Centre, works which are vitally important in supporting the aims of Norton Hall in offering women of all ages and backgrounds access to education, learning, volunteering, employment and entrepreneurial opportunities in a welcoming and supportive environment.

External enhancements to the building fabric, improved energy efficiency measures, new meeting rooms, office space and a ground floor waterfront café will provide an energy efficient exemplar building that provides a community resource centre that assists people from a deprived area. The work will re-connect the park with the local community encouraging safer access to and increased activity in the park through the restoration of the Edwardian lake and opening up the enclosed spaces to let more light in for ground flora.

The park will be enhanced through the creation of new wetland habitats on the lake, profiling and aerating the Washbrook, thinning the lakeside woodland to allow regeneration of the understorey, planting of ground flora and the creation of new heathland on the existing mown grassland. Access will be improved via boardwalks and enhanced cycle paths along with interpretation of the ecosystem services provided.

A4. Scope

The scope of the works includes:

- Detailed design and costing for the building and park works
- Consultation with residents, local stakeholders, police, Ward members;
- Liaison with Planning Ecology, Drainage engineers, Parks and Tree Officers;
- Appointing a Landscape Framework contractor to deliver the landscape works;
- Inviting tenders for and appointing building design consultants and building contractors
- Contract preparation;
- Construction operations and supervision

A5. Scope exclusions	
The ERDF funding specifically excludes the fitting out of the café and the installation of the lift which will be delivered via a separate project at a later phase.	
B. STRATEGIC CASE	
<i>This sets out the case for change and the project's fit to the Council Plan objectives</i>	
B1. Project objectives and outcomes	
<i>The case for change including the contribution to Council Plan objectives and outcomes</i>	
[bullet points will be fine]	
<p>Outcome 1: Birmingham is an entrepreneurial city to learn, work and invest in. Priority 1: <i>The increased space within the Dolphin Centre will provide a broader spectrum of training and enterprise opportunities in a very deprived area of the City where there are existing barriers to accessing the jobs market for women.</i></p> <p>Outcome 2: Birmingham is an aspirational city to grow up in. Priority 4: <i>Through the environmental enhancements children and young people of all backgrounds and abilities will have the opportunity to experience the outdoors</i></p> <p>Outcome 4: Birmingham is a great, clean and green city to live in. Priority 4: <i>Through the enhancements to habitats and biodiversity within Ward End Park the local community will enjoy improved access to nature in a more ecologically diverse safer and brighter environment.</i></p> <p>Outcome 6: Birmingham is a city that takes a leading role in tackling climate change: Priority 2: <i>Taking a whole building and whole place approach will help to deliver the ambitions set out in the Carbon Roadmap, where the City Council is committed to a 60% carbon reduction by 2027, which is reflected in the environment and sustainability policies and targets of the Birmingham Development Plan.</i></p>	
B2. Project Deliverables	
<i>These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc.</i>	
<ul style="list-style-type: none"> • Retrofitting and refurbishment of the Dolphin Centre increasing capacity to provide an attractive and accessible public building on the front of Ward End Park that will encourage visitors into the park. • Decrease in greenhouse gas emissions through energy efficiency measures • Decrease in primary energy consumption of the existing building. • Biodiversity enhancements to 6 hectares of park land. • Additional cycle paths to link local communities with the Dolphin Centre and the HS2 Rolling Stock Maintenance Depot • Landscape and Environmental improvements to the Washbrook, lake, woods and grassland within Ward End park including the creation of a new piece of lowland heath. 	
B3. Project Benefits	
<i>These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.</i>	
Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
Outcome 1: Number of training events held to provide opportunities for women to gain access to the employment market.	Increased numbers of women and young people accessing new business opportunities; up to 7 jobs

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Outcome 2: Number of children gaining access to open space to experience the outdoors and improve their mental well-being	Increased numbers of children and young people, including care leavers benefitting from outdoor recreation; 500 individuals
Outcome 4: Area of open space enhanced for nature conservation	Increased area of green and blue habitat enhanced for biodiversity; 6 hectares
Outcome 6: Building space enhanced for green energy production and energy efficiency	Area of building extended and retrofitted 564m2.Reduction in CO2 emissions per annum 17 tonnes

B4. Benefits Realisation Plan

Set out here how you will ensure the planned benefits will be delivered

The opportunities for new businesses will be delivered through the services provided by Norton Hall Children's and Families Centre who operate from the Dolphin Centre. They will work closely with the Employment and Access Team through the Future Parks Accelerator Programme Pilot.

The opportunities for individuals to access the open green space will be supported by the Friends of Ward End Park, The Active Well-Being Society and Norton Hall also through the Future Parks Accelerator Programme Pilot.

The enhancements to the green and blue habitats will be delivered by experienced professionals and contractors through City Council procurement methodologies.

The energy efficiency outputs have been calculated with reference to the ERDF application guidance, advice from M&E Design Consultants and the measurements taken from the proposals drawings. The M&E Engineer has benchmarked the heating against CIBSE TM46 Energy Benchmarks and allowed a 0.5% digression in efficiency per annum.

B5. Stakeholders

A stakeholder analysis is set out at G4 below. A summary of consultation responses is in the covering Executive report.

C. ECONOMIC CASE AND OPTIONS APPRAISAL

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities

C1. Summary of options reviewed at Outline Business Case

(including reasons for the preferred option which has been developed to FBC)

If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.

Option 1 - Preferred - Submit ERDF funding application for the refurbishment of the Dolphin Centre and the enhancements to Ward End Park:

This is the only realistic way to assemble the necessary resources to fund the proposals as ERDF is a significant funding source and there is a clear link to the HS2 development which is a once in a lifetime opportunity to secure funding for this type of project from a major national provider.

Option 2 - Scale down the ambition of the project and bid to alternative funders with less onerous conditions: This would be a great missed opportunity to deliver something that reflects the scale of the impact HS2 will have in the area. The City would lose the potentially significant inward investment from external resources that are much needed. Norton Hall would not be able to sufficiently expand their services which support much of the City's priorities

Option 3 – Do nothing:

This would be a great missed opportunity to deliver something that reflects the scale of the impact HS2 will have in the area. The City would lose all the potential inward investment from external resources that are much needed Norton Hall would not be able to expand their services which support much of the City's priorities.

C2. Evaluation of key risks and issues

The full risks and issues register is included at the end of this FBC

A summary of the key risks and issues is in the covering Executive report.

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

- *The advantages of this option were that the themes underpinning the Call for Proposals from the GBSLEP Sustainable Urban Development Programme aligned with the aspirations of both the City Council and Norton Hall in terms of meeting environmental and energy efficiency objectives and improvement of Education, Skills and Business opportunities.*
- *The location of the site fits well with the major development of the HS2 Depot and the project proposals meet the HS2 Environment and Landscape Board's Strategic Scheme Priorities Scoring Assessment.*
- *The proposals address the areas of deprivation in the ward through the provision of a building fit for purpose to provide community services for local women to expand their knowledge and business skills in a welcoming environment and will help equip local women to take advantage of the opportunities that will become available through the HS2 Depot and Business Park developments opposite the site.*
- *One of the disadvantages of these proposals is that the limited time available for the delivery of the ERDF programme has made it difficult to assemble the match funding and align the delivery programme. This however can be confirmed prior to the signing of the Funding Agreement.*

D. COMMERCIAL CASE

This considers whether realistic and commercial arrangements for the project can be made

D1. Partnership, Joint venture and accountable body working

Describe how the project will be controlled, managed and delivered if using these arrangements

The City Council will be the Accountable Body for the grant and will sign the Funding Agreement with the Managing Authority and hold ultimate accountability and responsibility for the project delivery and outcomes. The Head of Landscape and Development will oversee the project management and will be responsible for ensuring that the Accountable Body role is satisfactorily discharged.

The added value to the City for undertaking this role is that it will have overall control of the inputs and will be able to ensure that all the delivery partners will meet the requirements of the funding body. The City, as principle land owner and strategic partner can therefore direct the project to meet the outcomes that will best align with the City's Corporate policies, plans and objectives.

There are risks with assuming this role as there will be potential for clawback following an ERDF audit. To mitigate against this our delivery partners, Norton Hall and HS2 Ltd will be required to enter a service level agreement to ensure compliance with the ERDF requirements for procurement.

D2. Procurement implications and Contract Strategy:

What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).

1. Dolphin Centre Building and M&E Services Works

The scope and specification is as follows: Retrofitting existing former Sea Cadets Building with energy efficient enhancements to fabric, additional floor space, energy efficient mechanical installations including photovoltaic panels and other associated works.

This is a works contract which is below the OJEU threshold and therefore the tender will be advertised via www.finditinbirmingham.com and Contracts Finder only.

2. Other Physical Works (Landscaping)

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The scope and specification is as follows: Landscape Works including soft and hard landscape elements, habitat creation, tree works, works to the Wash Brook, lakeside marginal planting, construction of cycle route and footpaths, installation of bridges and boardwalks. This is a works contract which is below the OJEU threshold and therefore the tender will be advertised via www.finditinbirmingham.com and Contracts Finder only.

3. Engagement of external professional services consultants

Landscape Design Services and Project Management will be undertaken by Birmingham City Council's Landscape Practice Group on a staffing basis. The engagement of professional services for the building will be the responsibility of the City Council and will be supported by Norton Hall. This will follow an open tender route in line with the City Procurement Governance Arrangements. Acivico will be given an opportunity to bid for the services through this arrangement.

D3. Staffing and TUPE implications:

The Landscape Practice Group will provide the staff for the project management and landscape design services and the co-ordination of the grant draw down. There are no TUPE implications.

E. FINANCIAL CASE

This sets out the cost and affordability of the project

E1. Financial implications and funding

[illegible]

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		Financial Year:	2018-20	2020/21	2021/22	later	Total
			£000	£000	£000	£000	£000
Revenue code:							
REVENUE CONSEQUENCES							
Revenue costs during project delivery:							
Salaries and on-costs			7.7	75.9	66.1	14.1	163.8
HS2 Consultancy				67.0	58.0	0.0	125.0
Surveys				5.0	5.0	4.3	14.3
Summative Assessment fees				0.0	3.0	17.0	20.0
Operating period expenditure:							
Less income:							
			N/A				
Less proposed savings							
			N/A				
Net revenue consequences			7.7	147.9	132.1	35.4	323.1
REVENUE FUNDING:							
Other revenue resources identified:							
Reservoirs and Pools Safety Works Budget			7.7				7.7
Birmingham City Council CIL				10.1	6.1	12.7	28.9
HS2 Ltd				60.0	60.0	5.0	125.0
ERDF				77.8	66.1	17.7	161.6
Total revenue funding			7.7	147.9	132.1	35.4	323.1

E2. Evaluation and comment on financial implications:

The costs included in this report for landscape works have been estimated against existing scheduled rates in the Landscape Construction Framework 2015 -19 and through external consultants in relation to the building works. All costs are subject to a contingency to allow for inflation and transport, material and labour price increases.

The contribution from the CIL has the potential to be reduced subject to further grant awards from external funders, which are currently being developed.

The current revenue budget for grounds maintenance operations is £120,000 per annum and this will not increase as a consequence these proposals.

E3. Approach to optimism bias and provision of contingency

The estimate of costs has been reviewed and the project team have been cautious in building in general contingencies and allowance for a tender price adjustment. The potential for tender returns to be above budget has therefore been mitigated but should this still be the case there is room within the proposals for value engineering without compromising the project outcomes significantly.

E4. Taxation

Describe any tax implications and how they will be managed, including VAT

The Corporate Finance taxation advisors have been consulted and their advice has been taken into account in the development of these proposals. Norton Hall will not be required to make payments to the City Council for the lease other than a peppercorn and therefore there are no adverse VAT issues for the City Council.

F. PROJECT MANAGEMENT CASE <i>This considers how project delivery plans are robust and realistic</i>	
F1. Key Project Milestones <i>The summary Project Plan and milestones is attached at G1 below</i>	Planned Delivery Dates
Planned start date for delivery of the project	1st April 2020
Completion of detail design development	1st August 2020
Tender Invitations	1st September 2020
Main contract award	16th November 2020
Practical completion	30th November 2021
Final completion	30th November 2022
Date of Post Implementation Review	28th February 2023
F2. Achievability <i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<ul style="list-style-type: none"> Fully achievable through an experienced project team of officers and an approved procurement route The Project Manager has successfully delivered similar projects within Birmingham on programme and within budget including: The Jewellery Quarter Cemeteries NLHF funded restoration project Jarvis Road BMHT Erdington Oaks park Project Edgbaston Reservoir Perimeter Restoration Project 	
F3. Dependencies on other projects or activities	
<p>Following the MHCLG Decision Panel's approval of the City Council will be required sign the ERDF Funding Agreement with the Managing Authority.</p> <p>Planning consent has been given for the refurbishment of the Dolphin Centre and the conditions attached to this consent will need to be cleared prior to commencement of the works.</p> <p>Final costs will need to be confirmed with the successful tenderers prior to commencement of works contracts and checked against the available budgets.</p> <p>HS2 Ltd Service Delivery Agreement for the adjacent Rolling Stock Maintenance Depot works and consultancy activities to be finalised and signed.</p>	
F4. Officer support	
Project Manager: Jonathan Webster, Principal Landscape Architect. The Landscape Practice Group. Tel 0121 303 3937 email: jonathan.webster@birmingham.gov.uk	
Project Accountant: Lisa Pendlebury, Business Analyst, lisa.pendlebury@birmingham.gov.uk	
Project Sponsor: Darren Share, Assistant Director, Street Scene darren.share@birmingham.gov.uk	
F5. Project Management <i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	
<p>The project will be managed by the Landscape Practice Group with support from Norton Hall's professional consultants on the building aspects of the project. A project board will be established with the Assistant Director of Street Scene as chair and senior officers from Birmingham City Council including, Parks. Finance and Property and the Chief Executive from Norton Hall Children's and Family Centre (See G1 below). The project manager will hold monthly progress meetings with the contractor and client officers on site and there will be progress reports from the contractor, relevant consultants and clerks of works.</p>	

G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. PROJECT PLAN

Detailed Project Plan supporting the key milestones in section F1 above

The project has two main elements, namely the construction of the building and the environmental enhancement works to the green and blue elements of the park. Project Board consisting of Senior Managers of as listed below:

- Assistant Director Street Scene
- Head of Landscape and Development
- Operational Property Manager
- Chief Executive, Norton Hall and Family Centre
- Finance Business Partner
- District Parks Manager
- Design Team Members

The project will follow the standard RIBA Stages for project delivery from RIBA Stage 3 to 7. The Landscape Practice Group operates a Quality Assurance System with ISO 9001 Accreditation and will follow procedures set out in the Quality System Process Flows. The detailed project programme is summarised below:

WARD END PARK LAKESIDE RENEWAL PROJECT: TIMETABLE	
Task	Milestone date
Start date	26th June 2018
Full Application to the Managing Authority	29th June 2018
BCC Cabinet approval to submit grant application	31st July 2018
Planning approval	7th November 2019
Estimated Funding Approval Date from MHCLG	28th February 2020
BCC Cabinet approval to accept grant inc.call in	25th March 2020
Procure consultants for Dolphin Centre	1st April-31st May 2020
Detail design development - landscape	1st April - 1st August 2020
Detail design development - building	1st June-31st August 2020
Tender Preparation	August 2020
Tender Process (Invitation, evaluation, award)	1st Sept - 31st Oct 2020
BCC Contract award approval	9th November 2020
Place orders with successful Contractors	16th November 2020
Contractor Mobilisation Period/ Christmas	17th Nov-31st Dec 2020
Contract Start/Period	4th Jan - 30th Nov 2021
Contract completion	30th Nov 2021
Defects liability period	1st Dec '21 - 30th Nov '22
FINAL COMPLETION	30th November 2022
Activity End Date	30th November 2022

G2. SUMMARY OF RISKS AND ISSUES REGISTER

Risks should include Optimism Bias, and risks during the development to FBC

Grading of severity and likelihood: High – Significant – Medium - Low

		Risk after mitigation:	
Risk or issue	Mitigation	Severity	Likelihood
1. Elements of project do not meet ESIF eligibility criteria	Officers working closely with the Managing Authority at project assessment stage. Continuous review of project development proposals	Low	Low
2. State Aid non-compliance	Officers working closely with the Intermediary Body at project assessment stage to confirm state aid does not apply	Low	Low
3. Third party grant funding is not approved	Officers are working to secure match funding from suitable funders such as National Lottery and HS2 Ltd.	Low	Medium
4. Third party match funding not delivered in timescales	Working with HS2 and NHCFC to agree Service Delivery Agreements	Medium	Low
5. Optimism Bias	The project team have been cautious in building in general contingencies and allowance for a tender price adjustment.	Medium	Low
6. Norton Hall fails to agree to the Community Asset Transfer lease for the Dolphin Centre	Norton Hall is a well- established social enterprise that has worked alongside the City for many years and are the current tenant. They have co-operated with the CAT process and so the City can be confident that the lease will be completed.	Low	Low

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)

The capital expenditure on the Project is estimated at £2.165 million and the main components include: the Dolphin Centre construction, Park landscape construction work and match funding works to the HS2 depot site to be undertaken by HS2 Limited which form part of the ERDF funded proposals for off-site works.

Elements of the project are classed as revenue activity and these are estimated at £323,110. This covers the staffing costs and on-costs for the Landscape Practice Group to project manage and deliver the external works design, a topographical survey, water quality assessments and an overarching summative assessment of the project.

The ERDF Grant is subject to the completion of a funding agreement with MHCLG, the Managing Authority and equates to 50% of the project costs. The total contribution from ERDF will be £1.244 million. The drawdown of this grant will necessitate regular progress reports and the completion of quarterly claims, backed up by evidence of eligible expenditure defrayal.

HS2 Ltd. has pledged its support for the project through the delivery of a number of activities with an equivalent monetary value of approximately £315,000. These activities include the following:

- Provision of relevant ecological data
- Provision of hydrological modelling data
- Works to the Wash Brook and remediation of the current Washwood Heath Depot site to improve the water quality within the Brook;
- The potential for the use of plant and equipment for site works where there are synergies;
- Attending project co-ordination /interface meetings;
- Input into feasibility and design works; and
- The potential to use the Dolphin Centre for HS2 Community events

BMHT are developing a former housing depot site adjacent to the park and brook off Ward End Park Road. As part of these works they will be carrying out sustainable drainage mitigation works that have synergies with the Lakeside Renewal Project. They have estimated that these works will require a capital investment of £16,000 which we have incorporated as off-site match funding for the main project.

Birmingham City Council have made available from the Reservoirs and Pools Safety Works Budget two sets of funding that are eligible match for the project. The first equates to £141,159 which was spent on the Phase 2 dredging works and has been subject to a letter of retrospection sent to the MHCLG confirming its inclusion in the project as a risk item. The second sum allocated in 2020-21 from the Reservoirs and Pools Safety Works Budget is £103,000 and will be used to carry out works to the Wash Brook to mitigate flood risk through bank realignment and to resolve some of the issues with the feed and outlet to the main park pool. This latter sum was approved within the Brook Course Flood Alleviation Works element of the budget approved by Cabinet in November 2018

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The balance of the budget for the overall project is intended to be funded from the CIL. This equates to £668,846. The purpose of this contribution is both to support the project and underwrite the potential grant funding that is currently being pursued with the National Lottery and HS2 Ltd., Community and Environment Fund. These elements estimated at £50,000 and £150,000 respectively are not secure and will not be confirmed until after the MHCLG Decision Board sits. For this reason it is necessary for the CIL funding to underwrite these sums.

G4. STAKEHOLDER ANALYSIS		
Stakeholder	Role and significance	How stakeholder relationships will be managed
Ward Councillors	Consultation with community in form of the Stakeholder advisory group and support for project	Provide information and keep informed
Cabinet Members/ Directors	Due consideration of the project proposals and approval to commit the resources and accept grant monies	Provide information and keep informed
Local Stakeholder Groups & residents	Contribution to the design during consultation. Understanding during construction works. Post completion community engagement with site activities	Careful design and prompt reaction to concerns or site issues. Manage expectations through communicating purposes of the grant funding Prompt reaction to concerns or site issues.
Project officer team including Partner Organisations	Design to meet the requirements. Expertise in delivery. Project management. Long term management Service level agreements in place	Co-ordinate design team and contractor. Establish Project Board
Site managers and operatives	Engagement with the design process and due consideration of the project proposals in relation to management of the site	Provide information and keep informed
Contractors	Works to be completed to the client brief and delivered on time and within budget.	Tender process designed for selection of appropriately qualified contractors Specialist contractors will be closely monitored and obligated contractually
Funding agents	Clear advice on eligibility of expenditure. Approval of funding agreements Prompt assessment of milestone reports and fund drawdown requests	Officers working closely with the Managing Authority at project assessment stage to verify eligibility Prompt response to funding account manager queries and requests for information