

## FULL BUSINESS CASE (FBC)

### A. GENERAL INFORMATION

#### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	<b>FULL BUSINESS CASE AND RECOMMENDED CONTRACT AWARD FOR NORTH BIRMINGHAM ACADEMY - EXPANSION OF EXISTING ACADEMY WITH A NEW THREE STOREY TEACHING BLOCK</b>		
<b>Oracle code</b>			
<b>Portfolio /Committee</b>	Children Young People and Families	<b>Directorate</b>	Children and Families
<b>Approved by Project Sponsor</b>	Jaswinder Didially	<b>Approved by Finance Business Partner</b>	Clare Sandland

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

Schools Capital programme, Basic Need Allocation 2022-23 Future Years Cabinet Report was approved by Cabinet on 26<sup>th</sup> April 2022.

#### A3. Project Description

The project involves the expansion of the existing academy by 2 forms of entry from 6FE to 8FE with the construction of a new 3 storey teaching block linked to the existing building and internal alterations & remodelling to the existing school to accommodate 300 additional pupils between the ages of 11 and 19 years from September 2023 through to September 2027.

#### A4. Scope

This scheme involves works as described in the above project description

#### A5. Scope exclusions

No works outside this scope will be undertaken

### B. STRATEGIC CASE

*This sets out the case for change and the project's fit to the Council Plan objectives*

#### B1. Project objectives and outcomes

*The case for change including the contribution to Council Plan objectives and outcomes*

- Birmingham is an aspirational city to grow up in
- Birmingham is a great city to live in
- Birmingham is an entrepreneurial city to learn, work and invest in
- Enjoy and achieve by attending school;
- Schools Capital Programme
- Compliance with the requirement of the 'Birmingham Business Charter for Social Responsibility'.

#### B2. Project Deliverables

*These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc*

To expand the existing academy with a new three storey teaching block extension, linked to the existing building and remodel areas of the existing building.

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The new extension will provide teaching and ancillary space to accommodate the additional intake of 300 pupils providing 2305.4 m<sup>2</sup> of teaching and ancillary space.

Internal remodelling/refurbishment will create new servery, dining and food technology teaching space to support the existing and new pupil intake.

### B3. Project Benefits

*These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.*

Measure	Impact
<i>List at least one measure associated with <b>each</b> 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>
To allow continuation of education operations for North Birmingham Academy	Completing the extension and remodelling works will minimise disruption to pupils at North Birmingham Academy in the long-term, and it allows the Council to meet its statutory obligations for basic needs allocation
Support and enrich learning opportunities for children and young people.	On completion of the programme of works, pupils will have a fully functional safe, warm and dry environment before, during and after school hours.
Promoting designs which support Birmingham's Education Vision.	The extension and remodelling works will enhance the teaching and learning environment that are suitable for delivering education.

### B4. Benefits Realisation Plan

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

The planned benefits will be delivered following completion of the new three storey teaching block extension and the remodelling works within the existing building by Acivico Ltd ensuring that Morgan Sindall as the successful contractor delivering the full programme of works to time and budget to provide a state-of-the-art provision, successfully satisfying the City's drive towards net carbon zero emissions and a BREEM Rating of very good or better.

### B5. Stakeholders

A stakeholder analysis is set out at G4 below.

## 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.*

- Doing nothing would mean the City Council would fail to meet its statutory obligation to provide sufficient Secondary School places for pupils of secondary school age within north Birmingham and the wider catchment area.
- Further resources could be allocated to other schools in other areas of the City however this is not the most effective use of Birmingham City Council funds and does not resolve the issue on increased Secondary pupil numbers in the north of the City.
- The recommended option is to expand the existing teaching site at the North Birmingham Academy and carry out the remedial works needed to the existing building so that it can

provide the proposed increased pupil intake of 300 extra pupils over the next 5 Years with a highly efficient, sustainable and safe teaching and learning environment.

## C2. Evaluation of key risks and issues

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

- Risks have been considered as part of the design process and a contingency sum of £542,000 has been allocated to the project.
- Regular two weekly meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track.
- Working in a live site and ensuring Health & Safety is maintained. As the designated project manager, Acivico have many years' experience delivering large scale refurbishment projects of this nature and will safely co-ordinate the works in consultation with the North Birmingham Academy, and EDI.
- A project risk register will be maintained.

## C3. Other impacts of the preferred option

*Describe other significant impacts, both positive and negative*

- Completion of the expansion and remodelling project will ensure pupils are not disrupted from their education needs and that the additional increase in pupil numbers is sufficiently catered for.

## 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*

Scheme will be delivered by Project Team as follows:

- Client for the project is Birmingham City Council.
- Project Manager services will be provided and carried out by Acivico.
- The End User will be North Birmingham Academy.
- Regular 2 – 4 weekly meetings will be held with the project team, including client and the end user.
- Programme will be monitored and developed to ensure that required timescales are achieved.
- Scheme costs are to be continually assessed, developed and monitored.

### 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).*

The procurement of this contract has been undertaken via the Constructing West Midlands Framework.

Due to the challenging timescales for the project to meet the new school academic year, a Pre-Construction Services Agreement (PCSA) for the value of £414,156 has been entered into with the recommended contractor to commence the detailed design and to place orders with their sub-contractors to provide a firm commitment. This covers RIBA stages 0-2. The total cost, inclusive of EDI fees of £414,516, is to be funded from the allocation of £2.000m of Basic Need Grant for the development of Feasibility Studies and has been approved under Chief Officer delegated authority by the Director of Children and Families.

Morgan Sindall Contractors were successfully selected via direct allocation through the Construction West Midlands (CWM) Framework Agreement Lot 2 utilising a set, previously approved criteria to achieve best value for money based on current DfE education space guidelines and industry benchmark rates, adopting a 70% to 30% Cost/Quality ratio to determine the most economically advantageous contractor through the weighting matrix. Through this selection process, Morgan Sindall came out as the most value for money, achieving an over weighting matrix

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of 98.21%. Morgan Sindall will work with Acivico Ltd, who will act as the Project Manager to ensure value for money is achieved throughout Delivery.

### D3. Staffing and TUPE implications:

None

Capital Costs & Funding	Oracle Code (VFM) CONTRACTOR + CONTINGENCY	Financial Year				Totals
		2022/23	2023/24	2024/25	2025/26	
<b>Expenditure</b>						
North Birmingham Academy						
Construction costs, incl. Surveys, Investigations, & Statutory Fees and contingency		£ 297,907	£ 7,225,800	£2,400,000	£165,500	£10,089,207
Acivico Fees		£ 218,445	£ 291,132	£ 107,712	£17,464	£634,753
FFE and other costs				£ 57,500		£57,500
Contingency			£ 442,000	£ 100,000		£542,000
EDSI Capitalisation		£ 15,490	£ 238,768	£ 79,956	£5,489	£339,703
<b>Total Project Cost Excluding VAT</b>		£ 531,842	£ 8,197,700	£ 2,745,168	£ 188,453	£11,663,163
<b>Funding sources</b>						
<b>Resources Approved as per 2021/22 Capital Programme</b>		£ 531,842	£ 8,197,700	£ 2,745,168	£ 188,453	£11,663,163
<b>Totals</b>		£ 531,842	£ 8,197,700	£ 2,745,168	£ 188,453	£11,663,163

## E2. Evaluation and comment on financial implications:

The current costs for the project are based on costs received by 21/10/2022. In addition to the £11,663,163, a Pre-Construction Services Agreement (PCSA) has been drawn up, as per the new Constructing West Midlands 2 procurement framework requirement. In order to have a chance of making the timescales to complete this project for September 2024, £414,156 (inclusive of 3% EDI fees) has been committed at risk. This cost is to be funded from the allocation of £2.000m of Basic

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Need Grant for the development of Feasibility Studies to inform Full Business Cases in order to deliver the Basic Need and High Needs Provision Programme (approved by Cabinet 26th April 2022). Without this approval, the contractors couldn't progress the design and orders, and the project wouldn't be able to progress over Summer 2023.

### E3. Approach to optimism bias and provision of contingency

Contingency of £542,000 has been afforded and included in the total project cost, if required.

### E4. Taxation

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

N/A

## F. PROJECT MANAGEMENT CASE

*This considers how project delivery plans are robust and realistic*

### F1. Key Project Milestones

*The summary Project Plan and milestones is attached at G1 below*

	Planned Delivery Dates
Cabinet Approval	February 2023
Main Construction works	April/May 2023 – July 2024
Practical completion	August 2024

### F2. Achievability

*Describe how the project can be delivered given the organisational skills and capacity available*

- Scope of work identified as in the project description.
- Extensive site investigation carried out.
- Project programme and costs have been developed.
- Funding is in place.
- Contractors have considerable previous experience.
- Similar projects have been delivered on budget and to time by the project team.

### F3. Dependencies on other projects or activities

- Landlord Approval has been granted for the project.

### F4. Officer support

<b>Project Manager:</b>	Zahid Mahmood 07860906126	Capital Programme Manager, Education Infrastructure <a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a>
<b>Project Accountant:</b>	Jaspal Madahar 07766922478	Finance & Resources Manager <a href="mailto:jaspal.madahar@birmingham.gov.uk">jaspal.madahar@birmingham.gov.uk</a>
<b>Project Sponsor:</b>	Jaswinder Didially 07825 117334	Head of Education Infrastructure <a href="mailto:jaswinder.didially@birmingham.gov.uk">jaswinder.didially@birmingham.gov.uk</a>

### F5. Project Management

*Describe how the project will be managed, including the responsible Project Board and who its members are*

## 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*

1. Enter into PCSA – 18/05/2022
2. Planning approval – Feb 2023
3. Cabinet Member approval – Feb 2023
4. Start on site – April 2023
5. Completion – August 2024

The project plan will be outlined by Acivico who are operating as the project manager and the chosen contractor Morgan Sindall prior to the works starting to minimise disruption to the school and to ensure the project is completed within the estimated completion time of 03-04-2023 to 05-07-2024 (subject to pre-contract meeting and receiving order in time to meet timescales).

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### 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
Delayed start date due to approval process	Attempts will be made to progress the Cabinet Report and FBC in time for a planned start date of April 2022 and completion date of July 2024	High	High
Building costs escalate	The project team will closely monitor the schedule of works and build costs. Cost schedules include contingency sums. Any increases in materials and labour will be mitigated by a fixed price contract with robust contract management by the Council's technical advisor, Acivico Ltd.	Medium	High
Building works fall behind	The project team will closely monitor schemes on site and liaise with Contractor Partners to identify action required.	Medium	Medium
Impact of the Covid-19 pandemic and war in Ukraine on the delivery of the construction project.	Regarding availability of materials and labour. The impact of Brexit, Covid-19 and the situation in Eastern Europe may result in an increased risk of a shortage of materials.	High	Medium

### 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)*

N/A



## G4. STAKEHOLDER ANALYSIS

Stakeholder	Stake in project	Potential impact on project	What does the project expect from stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Cabinet Members for ES&C and F&R	Strategic Overview of DGCF expenditure	High	Approval of Cabinet Member report and expenditure for project.	Strategy not approved	Early Consultation and Regular Briefing on all aspects of Basic Need	BCC / EDI
EDI's Consultant Partners (Acivico)	Design and Delivery	High	To support delivery and programme management.	Unable to design to budget Unable to deliver to timescales	Close working with other stakeholders Regular feedback	BCC/EDI /Acivico
School Leadership Team / Governors	Governing Body Agreement and End Users	High	Compliance with GBA Ongoing Revenue costs for R&M once works complete	N/A	Governing Body Agreement signed and regular project meetings	School Leadership Team/Academy Trust/ Governing Body EDI Project Officer
Pupils	End user	Low	Consultation	Nil	Through school's council	School Leadership Team

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### G5. BENEFITS REGISTER

*For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)*

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with <b>each</b> of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
<b>(A) Monetised benefits:</b>	£		
<b>(B) Other quantified benefits:</b>			
<b>(C) Non-quantified benefits:</b>	n/a		

### Other Attachments

*provide as appropriate*

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