

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Acting Strategic Director Place</b>
<b>Date of Decision:</b>	<b>17<sup>th</sup> November 2015</b>
<b>SUBJECT:</b>	<b>RECONFIGURATION &amp; REFURBISHMENT OF CIVIC HOUSE, ERDINGTON FOR BIRMINGHAM ADULT EDUCATION SERVICE: PROJECT DEFINITION DOCUMENT.</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: n/a</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved <input type="checkbox"/></b> <b>O&amp;S Chairman approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member(s):</b>	<b>Councillor Penny Holbrook, Cabinet Member Skills, Learning and Culture</b> <b>Councillor Ian Ward, Deputy Leader</b> <b>Councillor Stewart Stacey, Cabinet Member Commissioning, Contracting and Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Waseem Zaffar, Corporate Resources, and</b> <b>Councillor Victoria Quinn, Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>Sutton Vesey and Erdington</b>

<b>1. Purpose of report:</b>
1.1 To seek approval to the Project Definition Document (appendix 1) to refurbish and reconfigure the layout of Civic House in Erdington to allow Birmingham Adult Education Service (BAES) to operate from the building. The estimated capital cost of this project is £1.38m.
1.2 To seek the release of £44,804 of development funding to progress the project to the Full Business Case stage.
1.3 This proposed investment will provide a fit for purpose BAES centre to serve the north of the city and will release two buildings that have exceeded their useful life and would need a considerable capital investment to ensure they are fit for purpose. It also offers an opportunity to consider and incorporate 'Open for Learning' principles'.

<b>2. Decision(s) recommended:</b>
That Cabinet:
2.1 Approves the Project Definition Document for the refurbishment of Civic House, Erdington, at an estimated capital cost of £1.38m to be funded from prudential borrowing.
2.2 Approves the release of development funding of £44,804 to progress the proposal to Full Business Case and target cost.

<b>Lead Contact Officer(s):</b>	<b>Lesley Steele; Birmingham Property Services</b>
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<b>3.</b>	<b>Consultation</b>
3.1	<p><u>Internal</u></p> <p>The initial consultation process with staff and the union has commenced. The outcomes will be considered when developing the project designs for Civic House and will be taken into account when formulating the full business case. The Erdington and Sutton Vesey Ward Councillors, Principal of BAES and District Head Erdington have been consulted and support this proposal going forward.</p> <p>Legal and Democratic Services and City Finance have been involved in the preparation of this report.</p>
3.2	<p><u>External</u></p> <p>The consultation process with users has commenced and will continue through the life of the project. The initial consultation with the nursery is to commence early December 2015. A consultation plan (Appendix 2) will be maintained and form part of the full business case.</p>
<b>4.</b>	<b>Compliance Issues:</b>
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>BAES is the largest Community Learning and Skills provider nationally and makes strong contributions to the Council's objectives set out in the Council Plan 2015+ specifically 'A Prosperous City' – focusing on 'Learning, skills and local employment' and 'A Democratic City' – offering modern services that serve our citizens.</p> <p>The Constructing West Midlands (CWM) Framework Lot 7 Contractors are signed up to the Birmingham Business Charter for Social Responsibility (BBC4SR) and the selected Lot 7 contractor will be required to submit a project specific action plan as part of the Full Business Case.</p>
4.2	<u>Financial Implications</u>
4.2.1	<p>The currently estimated cost of the refurbishment is £1.38m including fees, contingency and furniture and equipment. This will be funded from prudential borrowing. It is expected that the revenue costs of the borrowing to BAES can be met from the 7.5% revenue benefit from the capital receipt arising from the sale of the Boldmere Centre, in accordance with the Council's capital receipts policy. The costs of developing this proposal to FBC (£44,804) will be funded from BAES reserves.</p>
4.2.2	<p>It is estimated that revenue savings (c £178k p.a.) will be achieved by 2018/19 from this rationalisation proposal and that these will contribute towards the revenue pressures currently faced by BAES. Further detail is provided in Appendix 1 and will be confirmed at FBC stage.</p>
4.3	<p><u>Legal Implications</u></p> <p>Pursuant to section 15B of the Education Act 1996 the Council may secure the provision of full-time or part-time education suitable to the requirements of persons who have attained the age of 19.</p> <p>The Council may do anything which appears to be necessary or expedient for the purposes of or in connection with the exercise of its functions under section 15B of the 1996 Act.</p> <p>The Council is also discharging a duty in section 15ZA of the Education Act 1996 to secure that enough suitable education and training is provided to meet the reasonable needs of persons who are aged 19 or over and for whom an Education, Health and Care Plan is maintained.</p>
4.4	<p><u>Public Sector Equality Duty</u></p> <p>A copy of the Equality Act 2010 –Public Sector Duty Statement and a Stage 1 Equality Assessment is included (ref EA000869) as Appendix 3.</p>

5.	<b>Relevant background/chronology of key events:</b>
5.1	BAES currently occupy two buildings in the North of the City, Boldmere Adult Education Centre in Sutton Coldfield and Osborne Education Centre in Erdington. At both centres BAES delivers British Sign Language, Art and Crafts, Information Technology, Counselling Skills, languages and courses for people with learning difficulties. In addition, the Osborne Centre delivers English, Maths, Pottery, Woodwork and Textiles. In 2014/15 Boldmere Centre had 934 learners and the Osborne Centre had 918 learners.
5.2	BAES is required to make ongoing savings of £1m from the academic year 2015/16 onwards due to a reduction in the Skills Funding Agency grant. This represents a reduction of approximately 10% on the Full Year 2014/15 grant allocation. A series of measures will need to be implemented across the service to achieve these reductions including a rationalisation of the BAES building portfolio to which this proposal contributes.
5.3	There is a strong need to continue to provide service provision in both Boldmere and Erdington. This is illustrated by recent census data which shows 17.7% of the population of Sutton Vesey do not have Level 2 qualifications, compared with 28.7% of the population of Erdington. August unemployment data shows by constituency that unemployed claimants represent 0.8% of the population of Sutton Coldfield and 4.9% of the population of Erdington.
5.4	Erdington District has a significant number of unemployed people (6.2%). Adult Education includes within its provision both English and Maths courses to bring these skills up to a level 2 along with a range of other vocational courses and Pathways and Employment Programmes.
5.5	Boldmere Centre is a former school building, owned by BAES which requires significant investment both internally and externally to make it fit for purpose. The building also includes an annexe which is currently leased to a private nursery. The Osborne Centre is part of the Osborne J&I School campus. The building was formerly a Victorian school and is in a poor state of repair and requires regular repairs to remain open. BAES rent part of this facility from the School. The Education service has expressed an interest in the Osborne Centre to assist in meeting the demand for additional school places.
5.6	An opportunity has arisen to consolidate BAES in the north of Birmingham into a single site from the planned relocation of Erdington Neighbourhood Office from Civic House in Erdington to the ground floor of the adjacent 67 Sutton New Road building. This relocation will be completed in the early part of 2016. Civic House is a three storey office building and is currently part of the Central Administration Building portfolio. It is sited in the main shopping centre of Erdington and easily accessible by public transport and also has excellent road links. It is located a short walk from Osborne Centre and could potentially provide 11 modern classrooms. It is proposed that BAES appropriate the Civic House building from the Corporate Landlord at nil cost and consolidate the functions of the two centres into this one building. Boldmere Centre would then be sold and the revenue benefit from the capital receipt would be used to fund the works via prudential borrowing. A resolution will need to be reached on whether the whole site is sold, or part of the site due to the nursery's lease of the annexe that is on the site.
5.7	It is proposed that Civic House will offer a similar programme to that provided from the Osborne Centre but excluding Pottery and Woodwork due to the specialised nature of the equipment and the space required for the activity. It is anticipated that many of the learners from the Osborne Centre will be able to relocate to Civic House as the new location is a 3 minute walk away. The new location at Civic House will offer the opportunity to work more closely with the adjacent Job Centre Plus supporting unemployed people getting back into work.

- 5.8 The proposed amalgamation of the service provision currently offered at the Boldmere and Osborne Centres will allow BAES to identify future savings associated with operating two buildings. This will include reviewing staffing costs, utilities and repairs and maintenance costs; however whilst it is anticipated that there will only be a small income reduction from community learning due to the practicalities of not being able to offer pottery or woodwork at Civic House there will be a reduction of approximately 12% in the Adult Skills Budget which will impact on income.
- 5.9 This project forms part of the Council's LoCAL programme focusing on improving and rationalising the customer facing building portfolio and this specific proposal has been endorsed by the LoCAL Board. As part of BAES Future Operating Model a hub and spoke model will be created to provide some cost effective outreach learning opportunities in the Boldmere area, particularly in the evenings. Civic House also offers the opportunity to consider the 'Open for Learning' opportunities. The overarching aim of the 'Open for Learning' concept is to create a cradle-to-grave learning offer aligned with wider public sector and community services. At present, the key services / initiatives participating in the programme include Early Years, Libraries, Adult Education, Youth Service & Birmingham Careers service, District Services and Well-Being Service. Following further evaluation of this project and prior to the FBC, account will be taken of the emerging thinking on the Open for learning initiative.
- 5.10 Currently the first and second floors of Civic House are open plan with some cellular offices sited along the windows to the frontage of the building. The proposal is to redesign the main entrance, create a main reception and back office on the ground floor with the first and second floors reconfigured and refurbished to provide 11 classrooms and ancillary facilities for learners. The building is currently served by a lift which will be utilised for disabled users. In order to progress the scheme £44,804 is required for surveys and design fees in order to work up a target cost for the scheme.
- 5.11 The contract will be administered by Acivico and procured via the Constructing West Midlands (CWM) Framework (Lot 7). The contractor allocation will be determined from an 80:20 price: quality ratio matrix. The pricing model is based on the percentages which were accepted as part of the CWM Framework (Lot 7). The quality will be assessed using the key performance indicators agreed to monitor performance under the framework. All CWM contractors are required to adhere to the principles of the BBC4SR and prior to contract award, an action plan proportionate to the contract sum will be agreed with the contractor on how the charter principles will be implemented and monitored during the contract period.
- 5.12 Dependent upon the satisfactory resolution of the issues referred to in this report and subject to the consideration of the outcome of the consultation as referred to in Appendix 2 and the confirmation of a final target cost within the resources a Full Business Case and Contract Award will be presented to Cabinet for approval in March 2016 with works programmed to commence on site in April 2016 and be completed by the end of July 2016. This will allow the building fit out and commissioning to take place in August 2016 and the new facility to be operational for the start of the new term in September 2016.

<b>6.</b>	<b>Evaluation of alternative option(s):</b>
6.1	Do nothing – Continue to operate the service from the two separate locations in Erdington and Sutton Coldfield and fund repairs until it becomes uneconomical to do so. At this point alternative premises will need to be sought.
6.2	Refurbish Boldmere Centre and move out of Osborne Centre – Without a capital receipt the service would not have enough capital to refurbish the centre to a level capable of accommodating both services.
6.3	Refurbish the Osborne Centre and move out of the Boldmere Centre – BAES would be making a substantial financial investment in a building they do not own. Also there is an expression of interest to utilise the building for additional school places.
6.4	Find an alternative location – The location of Civic House is desirable as it is easily accessible to both groups of service users. It is served well by public transport with both bus and rail links together with off road public car parking within walking distance. No other suitable properties are available at this time.
6.5	Exit both sites - sell Boldmere and use capital receipt to fund asset strategy for BAES across the city, do not replace with an alternative main site but operate a reduced learning offer out of other community rooms. This does not offer BAES any long term stability or longevity for service provision nor does it meet the needs of the local area.

<b>7.</b>	<b>Reasons for Decision(s):</b>
7.1	To approve the PDD and development funding to progress the detailed design to FBC and target cost.
7.2	To support the Councils strategic outcomes – ‘A Prosperous City’ and ‘A Democratic City’.

<b>Signatures</b>	<b><u>Date</u></b>
Cabinet Members	
..... Cllr Penny Holbrook, Skills, Learning and Culture	.....
..... Cllr Ian Ward, Deputy Leader	.....
..... Cllr Stewart Stacey, Commissioning, Contracting and Improvement	.....
Chief Officer	
..... Jacqui Kennedy Acting Strategic Director of Place	.....

<b>List of Background Documents used to compile this Report:</b>
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Relevant officer files save for confidential information
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<b>List of Appendices accompanying this Report (if any):</b>
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|----|-----------------------------|
| 1. | Project Definition Document |
| 2. | Consultation Plan           |
| 3  | Stage 1 Equality Assessment |

<b>Report Version</b>		<b>Dated</b>	<u><b>06.11.2015</b></u>
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## Consultation Plan

## Learning Opportunities at Boldmere Centre and Osborne Road Centre moving to Civic House

This proposal is to create a new learning centre at Civic House in Erdington and close two nearby learning centres in Boldmere and Osborne Road. It will include the sale of BAES Adult Learning Centre at Boldmere and the revenue benefit from the capital receipt will be used to fund (through prudential borrowing) the refurbishment of Civic House. Osborne Road is leased from education and so this will necessitate ending this lease agreement. There is a private nursery on-site at Boldmere so negotiations with the nursery are essential.

The drivers for the above changes are: poor standard of accommodation at both Boldmere and Osborne Road, high on-going maintenance costs, no funding for refurbishment available, year on year reduced funding for learning necessitating rationalisation of staffing and other costs associated with running two buildings. The strategic aims of the service is to impact on low qualification levels and high unemployment in the most deprived areas of the city also support a move to the centre of Erdington and the development of a Pathway to Employment offer in partnership with the Job Centre.

Both centres serve nearly 1,000 learners each year. Many of the courses are creative and well-being focused as well as some accredited opportunities in counselling, supporting teaching and learning in schools, European Computer Driving License and maths and English. Most courses require fees to be paid. Following the change in premises to Civic House courses would also be provided near Boldmere using community venues as available.

The Equality Assessment conducted denotes that there is no disadvantage to any groups of people with protected characteristics.

Date	Stakeholder	Action	Tool
WK beginning 28 <sup>th</sup> Sept	Staff Learners	EA established	Standard BCC EA Tool
Wk Beginning 28 <sup>th</sup> Sept	Trade Unions	Meeting with Trade Unions to brief them on the project	Face to face briefing
Wk beginning 28 <sup>th</sup> Sept	Staff	Meeting with affected staff to brief them and offer Q&A opportunity	Face to Face
Wk beginning 5 <sup>th</sup> Oct	Ward Councillors and District Chairs	To meet with ward councillors and district chairs to share plans and seek views.	Face to face meetings
W/B 9 <sup>th</sup> November	Public	Public consultation begins	Online Survey/questionnaire on Be Heard and BAES website. End date Friday 18 <sup>th</sup> December 2015 (6 weeks)
Wk Beginning 9 <sup>th</sup> November	Trade Unions	Meeting with Trade Unions at to consult on the project	Face to face briefing
Wk Beginning 16 <sup>th</sup> November	Public	Public consultation continues	Information posters and consultation survey at each site.
Wk Beginning 16 <sup>th</sup> November	Public Staff	Design plans displayed in Boldmere and Osborne Centre ongoing throughout project	Display boards and plans

<b>Wk Beginning 16<sup>th</sup> November</b>	<b>Staff</b>	<b>Meeting with affected staff to consult with them and offer Q&amp;A opportunity</b>	
<b>Wk. beginning 23rd</b>	<b>Staff</b>	<b>Briefings and meetings with staff at both Boldmere and Osborne Road – ongoing throughout project</b>	<b>Face to face briefings and meetings with staff dates to be recorded on consultation tracker</b>
<b>Wk. beginning 7<sup>th</sup> December</b>	<b>Private nursery on site at Boldmere</b>	<b>Meet with proprietor of nursery</b>	<b>Face to face meeting held by property services and BAES Principal – after PDD stage?</b>
<b>Date tbc</b>	<b>Trade Unions</b>	<b>Meeting with Trade Unions at to consult on the project and consultation finding (30 days for feedback)</b>	<b>Face to face briefing</b>
<b>13<sup>th</sup> Dec 2015</b>	<b>Public</b>	<b>Public consultation closes</b>	<b>Results of surveys and comments analysed</b>
<b>Early 2016 date tbc</b>	<b>Public</b>	<b>Publish feedback on consultation</b>	<b>You said, we did document</b>
<b>Date tbc</b>	<b>Trade Unions</b>	<b>Meeting with Trade Unions to brief them on the project</b>	<b>Face to face briefing</b>