

# **BIRMINGHAM CITY COUNCIL**

## **CABINET MEMBER AND CHIEF OFFICER**

**FRIDAY, 10 JULY 2020 AT 00:00 HOURS**  
**IN CABINET MEMBERS OFFICE, COUNCIL HOUSE, VICTORIA**  
**SQUARE, BIRMINGHAM, B1 1BB**

### **A G E N D A**

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1 **SURRENDER AND RE-GRANT OF LEASE FOR 50 SEVERN STREET**  
**TOGETHER WITH APPROPRIATION OF LAND FOR PLANNING**  
**PURPOSES**

Report of Acting Director, Inclusive Growth - Ian MacLeod, Interim Chief  
Finance Officer - Rebecca Hellard and Interim City Solicitor - Suzanne Dodd

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2 **OUTLINE BUSINESS CASE: EXTENSION TO NECHELLS POD, OLIVER**  
**STREET**

Report of acting Director Neighbourhoods and Director Education and Skills



# Birmingham City Council

## Report to Leader and Cabinet Member

### Finance and Resources

9th July 2020



**Subject:** Surrender and Regrant of Lease for 50 Severn Street together with Appropriation of Land for Planning Purposes.

**Report of:** Acting Director; Inclusive Growth – Ian MacLeod  
Interim Chief Finance Officer – Rebecca Hellard  
Interim City Solicitor – Suzanne Dodd

**Relevant Cabinet Member:** Leader – Councillor Ian Ward  
Cabinet Member Finance and Resources - Councillor Tristan Chatfield

**Relevant O & S Chairs:** Councillor Sir Albert Bore – Resources  
Councillor Lou Robson – Economy & Skills

**Report author:** Warren Bird, Strategic Investment Property Manager  
0121 303 3489 / [warren.bird@birmingham.gov.uk](mailto:warren.bird@birmingham.gov.uk)

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Ladywood		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference: N/A		
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Exempt information 12A of the Local Government Act 1972 (as amended) 3. Information relating to the financial or business affairs of any particular person (including the council) Exempt Appendices 2a and 2b contain sensitive commercial information on the purchase price, valuation and property lease rents.		

## **1 Executive Summary**

- 1.1 This report seeks authorisation to surrender an existing long lease for Land and Buildings at 50 Severn Street and grant a new longer lease in exchange for a premium paid to the Council.
- 1.2 The new lease will be granted to a derivative of the same tenant on the terms set out in Exempt Appendix 2b. Primarily the fundamental change will be an extension of its remaining length of approximately 60 years to a term of 250 years remaining.
- 1.3 To also seek authorisation to the appropriation, for planning purposes, of the land shown edged red on the attached plan (Appendix 1) The appropriation will apply to the Council's freehold reversion, in order to avoid potential action by adjacent occupiers via a court injunction, which may stop/delay further development thereby impacting on further development of the site.

## **2 Recommendations**

- 2.1 Approves a surrender and regrant of the lease for 50 Severn Street to Prosperity Severn House Limited, on the terms set out in Exempt Appendix 2b.
- 2.2 Approves the appropriation of the site shown edged red on the attached plan for planning purposes from its previous mixed use as local services, general purposes and economic development under S122 Local Government Act 1972, to planning purposes including commercial and residential uses under the Town & Country Planning Act 1990 subject to indemnities to be provided to the City Solicitor's satisfaction as set out in 7.1.5 of this report.
- 2.3 Authorises the City Solicitor to negotiate, execute and complete all necessary legal documents to give effect to the transaction.

## **3 Background**

- 3.1 The site is situated in Severn Street next to the Queensgate office building, facing the side/southern aspect of the Mailbox development and consists of an area of unmade ground, currently used for car parking in connection with the business and a single storey industrial/office structure constructed of brick. The location is shown on the plan in Appendix 1.
- 3.2 The site is owned freehold by the City Council and leased to Michael J Posnette Photography Limited (a subsidiary of Prosperity Severn House Limited) on a 99 year lease granted in 1981.
- 3.3 The tenant requires an extension of the lease term beyond the 60 years unexpired.
- 3.4 The transaction will take the form of a surrender of the existing lease and grant of a new lease for a 250-year term to enable redevelopment of the site.

3.5 Details of the proposed lease terms are set out in Exempt Appendix 2b.

- 3.5.1 In order to bring forward further development in the city centre, Prosperity Severn House Limited have requested the Council as freeholder, to appropriate the land edged red on the attached plan at Appendix 1 for planning purposes.
- 3.5.2 The Council holds land for various statutory purposes in order to provide its functions. Such land is used only for the purpose of the function for which it was originally acquired until such time as the land is disposed of or “appropriated” for another purpose.
- 3.5.3 Appropriation is the statutory procedure to change the purpose for which land is held from one statutory purpose to another provided that the land is no longer required for the purpose for which it was held immediately before the appropriation. In this instance the land has been held for economic development previously housing a Small/Medium Enterprise Industrial unit with unmade ground for ancillary car parking.
- 3.5.4 The scheme proposals and the fact the land has lain undeveloped for in excess of 20 years gives rise to the possibility for claims to rights to light. These claims could include court injunctions to stop development taking place and demands for ransom payments under the threat of such action. By appropriating the land for planning purposes under Section 122 of the Local Government Act 1972, compensation for loss of such rights is still payable but limited to that allowed by statutory codes without prejudice to the scheme.
- 3.5.5 Prosperity Severn House Limited will be undertaking the redevelopment of the site (as the long leasehold owner of the site) and it is they who will interfere with any easements/rights and therefore will be primarily liable for any statutory compensation payments. The Council will only become liable if the developer fails to make the payments, as set out in 7.2.5 of the report. Prosperity Severn House Limited have agreed to indemnify the Council for any associated costs.
- 3.5.6 Prosperity Severn House Limited considers it essential to appropriate the land now in case of prejudicial claims against the scheme at an early stage.

4 **Options considered and Recommended Proposal**

- 4.1 **Option 1 - Do Nothing.** The Council is under no obligation to proceed with the proposal and would suffer no financial or reputational consequences if it did not proceed. The negotiated capital receipt would be lost with no guarantee of a future opportunity.
- 4.2 **Option 2 – Reject the Deal and Attempt to Negotiate a Higher Premium Figure.** This would involve considerable risk of the deal falling through as the terms

set out in Exempt Appendix 2b are recommended by an independent firm of Chartered Surveyors and existing negotiation has already yielded the highest possible return for the Council in the opinion of the Assistant Director of Property and report author. Not to appropriate the site for planning purposes would potentially allow claimants of rights of light to stop development by way of a court injunction or to claim a ransom payment under the threat of such action making all future schemes unviable.

- 4.3 **Option 3 - Proceed with the Agreed Deal:** It is recommended to proceed with the surrender and regrant and the appropriation outlined in this report in order to secure redevelopment of the site and a capital receipt for the Council.

## **5. Consultation**

- 5.1 The Property Investment Board comprising officers from Property Services, Finance and Legal recommends proceeding with the transaction.
- 5.2 The transaction is also recommended by independent external valuer Avison Young.
- 5.3 No external consultation is necessary for this commercial transaction.

## **6. Risk Management**

- 6.1 There are no immediate risks to the Council's holding if the transaction does not complete since its interests are protected under the terms of the existing lease. The 'risk' of not proceeding could only be seen in terms of a lost opportunity to generate a capital receipt via the lease premium and a missed opportunity to ensure redevelopment of this site. Appropriating the land for planning purposes would avoid the risk of the proposed future development at 50 Severn Street being frustrated by third party rights, which in turn could delay the site being brought forward for development or render development unviable.
- 6.2 Potential costs incurred (if any) under Section 204 Housing and Planning Act 2016 are mitigated and indemnified by the completion of an Indemnity Agreement with the developer.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 The proposed lease surrender and renewal for a capital receipt supports the Financial Plan 2019-2023 by generating resources and thus helping to achieve a balanced budget.

- 7.1.2 It is consistent with Birmingham City Council Plan and Budget 2018-2022 priorities as the additional income helps the Council to meet its aspirations to be a great city to grow up, live, work and invest in.
- 7.1.3 It supports the aims set out in both the Birmingham Property Strategy 2018-2023 which seeks to grow income and the Property Investment Strategy 2019 which sets out more detailed guidelines for investment decisions.
- 7.1.4 As a result of the existing and future potential development of the site it has been identified that there is a significant likelihood of claims for rights to light. Under the current designated use owners of adjacent properties could stop or delay development proceeding by Court injunction on these grounds or demand a ransom payment to withdraw or forbear from taking such action (as expanded upon in 3.5.4). This could impact on the Council's ability to generate future capital receipts and revenue streams and also result in associated revenue pressures.
- 7.1.5 By appropriating the land for planning purposes under Section 122 of the Local Government Act 1972, compensation for loss of such rights is still payable but limited to that allowed by statutory codes without prejudice to the scheme, with the Council being the ultimate responsible body to which such claims would be made in the event the developer who has primary responsibility for payment of the statutory compensation does not pay. Whilst this appropriation will enable the development to progress and the Council's ability to generate future capital receipts is protected, any action that is taken may potentially still result in revenue pressures for the Council. The developer has therefore agreed to indemnify the Council for all costs associated with such loss of rights claims, including statutory compensation. This indemnity will be extended through any subsequent long leasehold interest.

## **7.2 Legal Implications**

- 7.2.1 Sections 120 - 123 of the Local Government Act 1972 authorises the City Council and its solicitors to hold, appropriate and dispose of land. The disposal power in Section 123 of the Local Government Act 1972 is subject to the best consideration test which is discharged in relation to this report as set out in the Recommendation Report of Lambert Smith Hampton at Exempt Appendix 2a
- 7.2.2 Section 1 of the Localism Act 2011 contains the Council's general power of competence and Section 111 of the Local Government Act 1972 contains the Council's ancillary financial and expenditure powers in relation to the discharge of its functions including the disposal and acquisition of property.
- 7.2.3 Exempt information: 12A of the Local Government Act 1972 (as amended) 3. Information relating to the financial or business affairs of any particular person (including the Council). Exempt Appendices 2a and 2b are considered to be in the public interest as they contain commercially

sensitive information of a financial or business nature, which if disclosed to the public could be prejudicial to a named person, individual or company.

- 7.2.4 The power to appropriate land for planning purposes from its previous uses is contained in Section 122, Local Government Act 1972. Subject to the land being vested or acquired by the Council or appropriated for planning purposes the power to override easements and third party rights is contained in Section 203 of the Housing and Planning Act 2016. Under Section 204 Housing and Planning Act 2016 (H&P Act 2016) a person is liable to compensation for interference with their rights pursuant to Section 203 H&P Act 2016.
- 7.2.5 The Council recognises the potential rights of third parties and will, in the event the due compensation under Section 204 (H&P Act 2016) is not paid where a legal basis for such payments is established, be liable to pay the compensation via the developers Indemnity Agreement.
- 7.2.6 Prosperity Severn House Limited have confirmation from their solicitors, the appropriation can take place at this stage and the City Solicitor has informed the solicitors acting on behalf of Prosperity Severn House Limited the Council will not be providing any warranty to Prosperity Severn House Limited that it can rely on Section 203, which will be reflected in the deed of Indemnity.
- 7.2.7 The Council's in-house Legal team will complete all legal matters associated with the transaction.

### **7.3 Financial Implications**

- 7.3.1 The transaction will generate a capital receipt for the Council, as set out in Exempt Appendix 2. As the property falls within the Inclusive Growth Investment Portfolio, the receipt generated will be ringfenced for reinvestment in assets within the Investment Portfolio in line with the stated aims of the Property Strategy and Property Investment Strategy and subject to Capital Board Approval. To this end Cabinet approved the Property Investment Strategy Report on 30th July 2019.
- 7.3.3 The site is currently subject to an annual rental of £2,000 per annum which will be lost to the City Council. This income forms part of the existing Birmingham Property Services budget allocation. The loss of income will be mitigated by the additional income generated following the reinvestment of the capital receipt into the investment portfolio.
- 7.3.4 The Assistant Director of Property has confirmed that the existing negotiation has yielded the highest possible return for the Council.
- 7.3.5 The purchaser will pay some/all of the Council's professional costs related to the disposal up to the maximum sum detailed in Exempt Appendix 2.



## 7.4 Procurement Implications

7.4.1 N/A

## 7.5 Human Resources Implications

7.5.1 Internal resources are used to evaluate and execute the transaction and external consultants have been used to provide an independent assessment of value.

## 7.6 Public Sector Equality Duty

7.6.1 An Equality Assessment has been carried out in connection with Property Investment Strategy transactions (EQUA495) and is attached at Appendix 3. This identifies no adverse impacts on any groups protected under the Equality Act 2010

## 8. Appendices

8.1 List of Appendices accompanying this Report (if any):

Appendix 1 – Site Plan

Exempt Appendix 2

Appendix 2a – Recommendation Report by Avison Young

Exempt Appendix 2b – Financial information

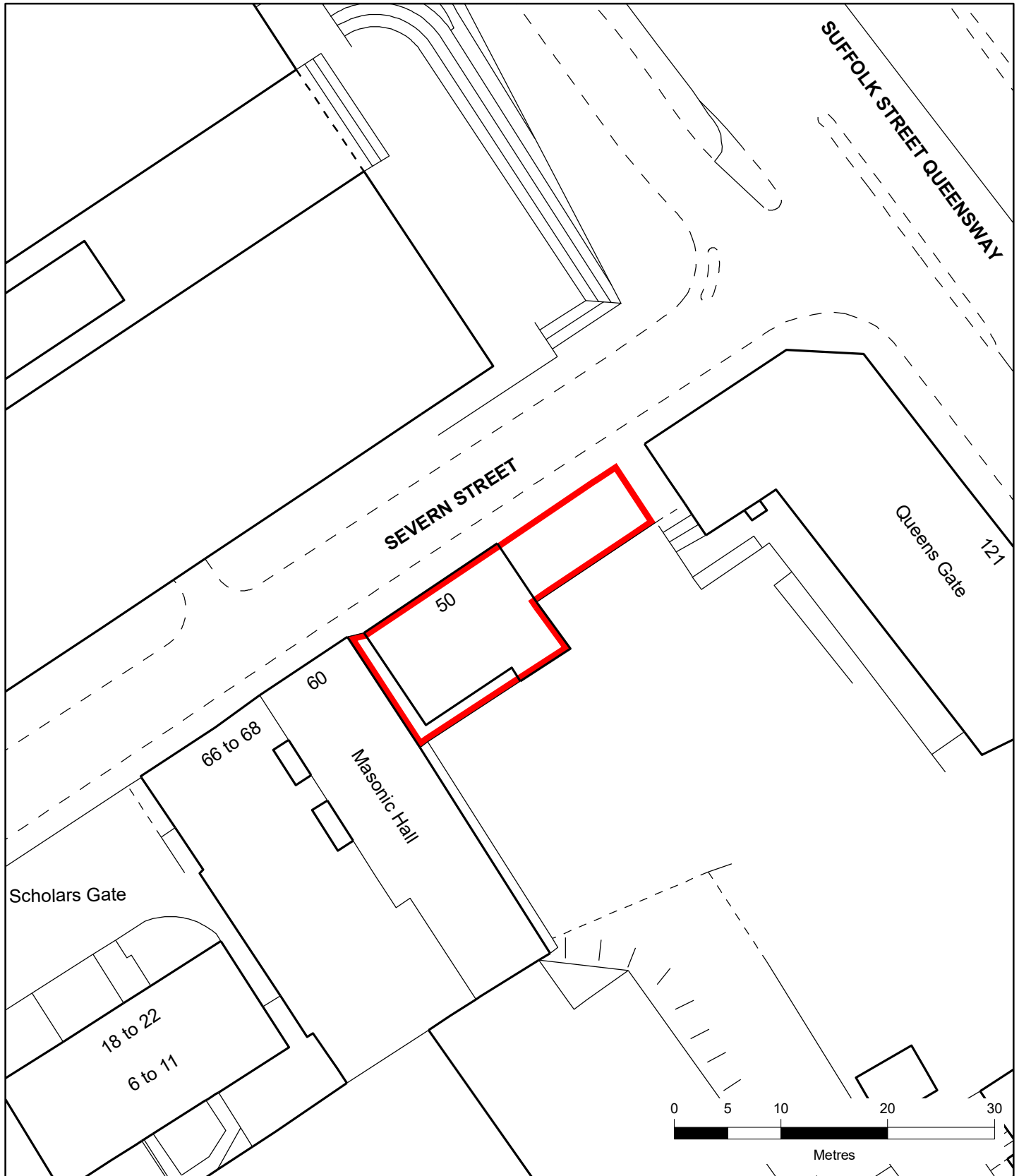
Appendix 3 – Equality Assessment EQUA495

## 9 Background Documents

9.1 Property Strategy (Approved by Full Cabinet – November 2018)

9.2 Property Investment Strategy (Approved by Full Cabinet – July 2019)





AREA EDGED RED **288** SQ. METRES APPROX. **344** SQ. YARDS APPROX.



**Birmingham**  
City Council

Kathryn James  
Assistant Director Property  
Inclusive Growth Directorate  
10 Woodcock Street  
Birmingham, B7 4BG

**50 Severn Street**  
**Ladywood**



SCALE

DRAWN

DATE

1:500

MI

09/07/2020

O.S.Ref SP0686SE



Title of proposed EIA	Surrender and Regrant of Lease for 50 Severn Street
Reference No	EQUA495
EA is in support of	New Function
Review Frequency	Six Months
Date of first review	17/09/2020
Directorate	Inclusive Growth
Division	Property Services
Service Area	Investment Property Management
Responsible Officer(s)	 Felicia Saunders
Quality Control Officer(s)	 Eden Ottley
Accountable Officer(s)	 Eden Ottley
Purpose of proposal	To seek authorisation to surrender an existing long lease for Land and Buildings at 50 Severn Street
Data sources	Consultation Results; relevant reports/strategies
Please include any other sources of data	
ASSESS THE POTENTIAL IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	
Protected characteristic: Disability	Not Applicable
Disability details:	
Protected characteristic: Gender	Not Applicable
Gender details:	
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	
Protected characteristics: Pregnancy and Maternity	Not Applicable
Pregnancy and maternity details:	
Protected characteristics: Race	Not Applicable
Race details:	
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	
Protected characteristics: Sexual Orientation	Not Applicable

Sexual orientation details:

Please indicate any actions arising from completing this screening exercise.

Please indicate whether a full impact assessment is recommended **NO**

What data has been collected to facilitate the assessment of this policy/proposal?

Consultation analysis

Adverse impact on any people with protected characteristics.

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

How will the effect(s) of this policy/proposal on equality be monitored?

What data is required in the future?

Are there any adverse impacts on any particular group(s) **No**

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

To seek authorisation to surrender an existing long lease for Land and Buildings at 50 Severn Street and grant a new longer lease in exchange for a premium paid to the Council.

The fundamental change will be an extension of its remaining length of approximately 60 years to a term of 250 years remaining.

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

The Property Investment Board comprising officers from Property Services, Finance and Legal recommends proceeding with the transaction. This transaction has been recommended by an independent external valuer Avison Young.

The relevant ward members have previously been consulted and Cabinet approved the Property Investment Strategy Report on 30 July 2019.

This transaction will generate a capital receipt for the Council and contribute towards achieving a balanced budget.

At this stage there have been no equality impacts identified linked to the protected characteristics and there will be ongoing consultation with

people and groups upon a surrender  
and regrant of the lease.

#### QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

Yes

Quality Control Officer comments

Decision by Quality Control Officer

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

18/03/2020

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Julie Bach

Person or Group

Content Type: Item

Version: 19.0

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Last modified at 18/03/2020 10:48 AM by Workflow on behalf of  Eden Ottley

Close





# Birmingham City Council

## Report to Cabinet Member Finance and Resources

June 2020



**Subject:** Outline Business Case: Extension to Nechells Pod, Oliver Street

**Report of:** Acting Director Neighbourhoods and Director Education and Skills

**Relevant Cabinet Member:** Councillor Tristan Chatfield, Cabinet Member Finance and Resources

**Relevant O &S Chair(s):** Councillor Sir Albert Bore, Resources

**Report author:** Lesley Steele, Property Services  
Tel 0121 303 8857  
Email: Lesley.steele@birmingham.gov.uk

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Nechells		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: N/A		

### 1 Executive Summary

- 1.1 To seek approval to the Outline Business Case (Appendix 1) to deliver an extension at Nechells Pod, Oliver Street together with some internal reconfiguration and refurbishment of the existing building.
- 1.2 To progress the proposal in line with both the redesign of the library service as outlined in the Community Library Service Tiered Delivery Model and the Community Hub programme.

## **2 Recommendations**

The Cabinet Member Finance and Resources :

- 2.1 Approves the Outline Business Case (Appendix 1) for the proposal to deliver an extension at Nechells Pod, Oliver Street together with some internal reconfiguration and refurbishment of the existing building at an estimated total cost of £580,000 inclusive of fees, contingency and furniture and equipment.
- 2.2 Authorises the placing of an order with Acivico Limited not to exceed £30,000 to progress the proposal to RIBA (Royal Institute of British Architects) Plan of Work stage 4 (Technical Design).

## **3 Background**

- 3.1 Nechells Pod on Oliver Street is located within the Nechells Ward. This is situated in the inner city with a multicultural community made up of 28.4% white, 25.2% Asian and 29.8% Black ethnicity. It is ranked 8<sup>th</sup> most deprived ward out of 69 in Birmingham and in the top 5% of the most deprived wards nationally.
- 3.2 Nechells Pod is approximately 0.2 miles from Bloomsbury Library. Bloomsbury Library was the local community library in Nechells Ward until 26th November 2013. Due to health and safety reasons resulting from the theft of lead from the roof the library was closed. The cost of repairs was unaffordable and following its closure it was sold at auction on the 23rd October 2014.
- 3.3 Nechells POD is owned freehold by the city council. It is a single storey 1960s former Education building currently operated by a registered charity, SHINE@NechellsPOD CIO . It offers a resource for the Nechells community by providing a safe and welcoming space in which residents can get together to participate in a wide range of activities and access services that empower them to lead self-determined, fulfilled lives and engenders a sense of belonging to their community. Nechells Pod hosts ESOL (English for speakers of other languages) pre entry training, fitness for the over 50s, walking groups, a Job Club, Debt and Benefit Advice. Talking Tots as some examples of how they support the local community. SHINE@NechellsPOD Charitable Incorporated Organisation (CIO) offer a range of services and activities that will support, help, inspire, nurture and empower Nechells residents. Nechells Pod is supported by a team of community volunteers who ensure the activities and sessions run smoothly. They are also working in partnership with a vast network of other community, statutory and voluntary agencies and organisations. This model is consistent with the developing Public Hubs Programme.
- 3.4 Following the closure of Bloomsbury Library, the library service operated out of the mobile library bus sited at Nechells Pod, Oliver Street 4 days a week from May 2014 until April 2017 until a more permanent solution could be established within Nechells Pod.

- 3.5 Nechells Pod has permitted utilisation of some of its circulation space for library provision. Due to the limited space available, the library service can only offer book borrowing hence the proposal to extend the building to provide additional space to support a fuller library service offer.
- 3.6 A report was approved at Cabinet on the 14<sup>th</sup> February 2017 which introduced a new approach to service delivery via the 'Community Library Service Tiered Delivery Model'. The library proposal at Nechells Pod would be designated as a Tier 3 library operated by the SHINE@NechellsPOD CIO and volunteers from the local community but supported by the library service with a worker for 15 hours a week together with the provision of books and investment in self-service ICT equipment. Access to the library in the main, will mirror the opening hours of Nechells Pod unless the space has been booked out for a specific activity, but users should still be able to access books.
- 3.7 The nearest libraries to Nechells Pod are Ward End Library which is 2.4 miles away and Birchfield Library which is 2 miles away.
- 3.8 In order to formalise the occupation a Community Asset Transfer (CAT) is being discussed between BCC and SHINE@NechellsPOD CIO who, as a sitting tenant, get a priority interview subject to the relevant due diligence associated with the CAT process.
- 3.9 As part of the Budget 2018/19 the Council set out ambitious plans to redesign its front facing service delivery points in order to offer improved services to its residents and produce efficiencies. As part of this programme, and fitting in with the policy drive on localisation, the Council intends to also work closely with community organisations. Alongside the public hubs, which will predominantly be a co-location of council run services, there will be community hubs, led by third sector organisations. These community hubs will be places based within the heart of local communities, away from the main public hubs, and delivering services targeted to meet the needs of that area and bridge any gaps in the public hub provision. The Pod will be the first building operating in this way, located in the centre of Nechells, and away from any sites being considered for a public hub. In fact, the area has proactively released properties i.e. former library, play centre, community centre in order to create co-located facilities. The community led hub will deliver a range of community services but importantly will deliver a Tier 3 Library function as agreed in the 2016 Cabinet Report on the future of Library Services.
- 3.10 A feasibility study (RIBA Plan of Work stage 2) has been developed to look at the viability and cost of extending Nechells Pod. The feasibility study established a budget estimated build cost of £421,000 (excluding fees, inflation, contingency and furniture and ICT equipment fit out) together with outline designs for the scheme for a single storey modular extension with extended office and toilet facilities; however client consultation has determined that whilst the floor layout is acceptable the preference is for a traditional build rather than modular construction. A total capital budget of £580,000 has been earmarked

for the project, which is inclusive of the build cost, fees, contingency and fit out costs.

- 3.11 The £30,000 funding requested as part of this proposal will be used to revisit the Concept Design (RIBA Stage 2) and amend the build from a modular construction to a traditional build and then progress through to Developed Design and Technical Design (RIBA stages 3 and 4) including a procurement tendering exercise.
- 3.12 On receipt of tenders a Full Business Case and a further Cabinet Member report will be presented to award the contract and progress the proposal to delivery.

#### **4 Options considered and Recommended Proposal**

Alternative options were considered as part of the property strategy prior to agreeing that the option to extend Nechells Pod at Oliver Street was the preferred option.

- 4.1 Do nothing (business as usual) – this does not allow for the delivery of an efficient and effective library service for the community. Currently the library provision is limited to the loan of books with no support services i.e. public use personal computers, homework clubs, reading groups, storytelling. Also, the current operation with shelves in the entrance corridor creates a safeguarding/security risk for other users of the centre as the public need to be managed and monitored.
- 4.2 A high-level options appraisal has been carried out which reviewed 8 locations including shared occupation, and standalone provision; consideration was given to location, revenue and capital funding and partnership working. The option that is recommended to be taken forward is to extend Nechells Pod, Oliver Street to provide an extended range of library and community services.

#### **5 Consultation**

- 5.1 The Leader of the Council, Cabinet Member for Education, Skills and Culture and local elected members have all been consulted on this proposal and support it going forward. The report was presented to members of the Capital Board on the 2<sup>nd</sup> June 2020 with no objections.
- 5.2 Consultation has been carried out with SHINE@NechellsPOD CIO and the existing building users and volunteers of Nechells Pod who are supportive of the opportunity to see the centre expand and offer a more extensive range of activities.

#### **6 Risk Management**

- 6.1 A risk register is appended to the Outline Business Case Appendix 1.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

#### **7.1.1 This proposal supports the Birmingham City Council Plan 2018-2022 specifically:**

Outcome 2 Birmingham is an aspirational city to grow up in. Nechells Pod provides a range of activities to support children both during term time and the school holidays.

Outcome 3 Birmingham is a fulfilling city to age well in. Nechells Pod offers support to families and individuals on healthy lifestyles providing fitness activities for all ages.

Outcome 4 Birmingham is a great, clean and green city to live in. Nechells Pod enriches the lives of those from deprived backgrounds by providing training and learning for qualifications and further education, debt advice and a place for social interaction.

It also supports the Property Strategy 2018/19 – 2023/24 by putting forward a solution whereby with the support of a partner organisation, an existing building can be improved and extended. It also fits the agenda for Community led Hubs supplementing the Public Hub programme. The relationship between BCC and SHINE will be formulised by a Community Asset Transfer rather than the current Management Agreement

The proposal supports the Community Library Service Tiered Delivery Model; Nechells Pod would be designated as Tier 3 which would operate as a Supported Community Library for 15 hours per week. The City Council's library service will work in partnership to support the organisation through the provision of books and investment in self-service equipment. Library provision would be delivered by SHINE@NechellsPOD CIO with 15 hours of support from the Library Service as per a Tier 3 Library.

The draft Ward Plan 2018-2022 (yet to be adopted) for Nechells highlights the need for extended library services and more use of community rooms to support older people. The proposal would contribute towards supporting these requirements in one of the most deprived wards in the city with the lowest average income of all the 69 wards.

#### **Legal Implications**

#### **7.1.2 This report exercises powers contained within the Public Libraries and Museums Act 1964 by which the local authority for the area is under a duty to provide a comprehensive and efficient library service for that purpose to provide and maintain such buildings and equipment to do such other things as may be requisite.**

- 7.1.3 Under Sec 111 Local Government Act 1972 the Council is empowered to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions

## **7.2 Financial Implications**

- 7.2.1 The estimated total capital cost of the proposal is £580,000 (inclusive of fees, contingency, furniture and equipment). This is to be funded from a capital receipt of £80,000 generated from the sale of the Nechells Play Centre CA-02809-03. Nechells Play Centre sold for £215,000; the service had an earmarking of £80,000 for 'The Bloom' and 8% revenue benefit of the remaining receipt which was actioned in 2015/16. There is a current remaining balance of £56,834.
- 7.2.2 A further capital receipt was generated from the sale of Nechells Community Centre which sold for £1.3m of which £500,000 is earmarked for the delivery of this proposal.
- 7.2.3 The Library Service currently contribute the full cost of providing a grade 2 member of library staff for 15 hours a week this equates to a financial revenue contribution of approx. £9,698 p.a. plus a £5,000 p.a. contribution for the operational running costs. Both these financial contributions will continue whilst the library has a presence in the building. They also contribute £2,000 until 2021 towards the provision of Wi-Fi.
- 7.2.4 SHINE@NechellsPOD CIO are currently responsible for all the revenue running costs including repairs and maintenance of the building. This equated to approximately £18,350 in 2017/18 This arrangement would continue as part of the CAT arrangements, whereby a full repairing and insuring lease will be in place.

## **7.3 Procurement Implications**

- 7.3.1 The scope of work proposed will be tendered competitively on the open market via Find it in Birmingham. The contract will be administered by Acivico Ltd.

## **7.4 Human Resources Implications (if required)**

- 7.4.1 Acivico Limited will lead on the development and procurement of the proposal and administer the construction contract on receipt of a successful tendering process.

## **7.5 Public Sector Equality Duty**

- 7.5.1 A copy of the Equality Act 2010 – Public Sector Duty statement together with the initial equality assessment screening are appended – Appendix 2 (ref EA002485). A full assessment is not required.

## **8 Appendices:**

- 8.1 Appendix 1 Outline Business Case (OBC)
- 8.2 Appendix 2 EINA

## OUTLINE BUSINESS CASE (OBC)

### A. GENERAL INFORMATION

#### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	<b>Outline Business Case: Extension to Nechells Pod, Oliver Street</b>		
<b>Voyager code</b>	CA-02809-03		
<b>Portfolio /Committee</b>	Education, Skills and Culture	<b>Directorate</b>	Neighbourhoods
<b>Approved by Project Sponsor</b>	Chris Jordan AD Neighbourhoods	<b>Approved by Finance Business Partner</b>	Parmjit Phipps Finance Business Partner Service Finance

#### A2. Project Description

Bloomsbury Library served the local community in Nechells until 26th November 2013. Due to health and safety reasons resulting from the theft of lead from the roof the building was closed. The cost of repairs was unaffordable, and it was sold at auction on the 23rd October 2014.

A comprehensive, high level options appraisal was carried out in 2014 which identified 6 potential options with additional options identified later as part of the review (7 & 8). The following sites were considered:

1. A relocation into the proposed new build owned by Free @ Last
2. Nechells Pod, Oliver Street - extension to provide library space
3. A new build on Nechells Play Centre site
4. Nechells Green Community Centre- conversion of the hall to a library.
5. Demolition of Nechells CC and replace with a new build and housing.
6. Refurbish Bloomsbury Library
7. Parcel of Land fronting Loxton Park, Duddeston Manor Road – new build provision
8. Bloomsbury Park, Bloomsbury Street – new build provision

Option 5 was deemed the most favourable especially if a joint scheme with BMHT could be progressed. The site was reviewed by Housing but deemed unfavourable due to a private social venue being sited opposite which operated unsociable hours. It was therefore deemed unsuitable for family housing and the option rejected.

Option 7 was investigated as it would also support the refurbishment of the park. This option was later abandoned due to the need to identify efficiency savings within the service leading to the logistics of operating a standalone facility no longer being viable.

A further option was then explored, which included a new way of providing library services in conjunction with third sector partners. As a result, Nechells Pod freed up some internal circulation space to provide some library provision. Due to the lack of spatial capacity the service on offer is limited hence the proposal to extend the building to provide additional floor space to provide a more comprehensive library service. The nearest libraries from Nechells Pod are Birchfield Library and Ward End Library both of which are just over 2 miles away.

A proposed extension to the existing community hub within the Nechells area known as, 'Nechells Pod,' Oliver Street, has been identified as a permanent location. On 22nd June 2018 Nechells POD coordinated a public consultation meeting to consider local library services with residents, BCC officers, local councillors and MP invited. To promote local democracy and provide residents with a 'voice' in respect of the future of Nechells Bloomsbury Library a public 'vote' on the library was run. All residents were invited to vote in a secret ballot – 107 individual votes were

cast – with 100% in favour of establishing a new ‘Bloomsbury Library’ extension to the building known as Nechells POD.

Nechells POD acts as a resource for the Nechells community by providing a safe and welcoming space in which residents can get together to participate in a wide range of activities and access services that empower them to lead self-determined, fulfilled lives and feel a sense of belonging to their community regardless of age, gender, race, faith or social background.

Nechells POD developed as a result of the successful community work that evolved through Nechells Education Action Zone (EAZ). In May 2008 the EAZ Head teachers appointed an EAZ Director to renovate a derelict nursery and turn it into a community hub that would support the residents of Nechells.

In September 2008 Nechells POD opened its doors and started offering a wide range of support, advice and guidance to improve the life chances of the community. Unfortunately, EAZ funding ended in March 2011, but such was the commitment of the EAZ head teachers and the success of the work of the POD that the service continued to grow and in May 2012 Nechells POD became a Community Interest Company (CIC), allowing access to funding streams that would further develop the work. In 2015 the Pod established itself as a charity.

Nechells POD houses: Nechells POD CIC, SHINE@NechellsPOD Charitable Incorporated Organisation (CIO) and the Birmingham Special Educational Needs & Disability Information, Advice and Support Service (SENDIASS) who offer impartial information, advice and support to children and young people with special educational needs or disabilities.

It is proposed that Nechells Pod is subject to a Community Asset Transfer with a target date of March 2020 for the different stages to of been completed (value in worth, interview and scoring). A full repairing and insuring lease will then be drawn up to formalise the tenancy.

SHINE@NechellsPOD CIO currently operate under a management agreement with BCC. Nechells Pod will operate as a Community led Hub supplementing the Public Hub programme.

A feasibility study has been developed to look at the viability and cost of extending the existing building. The feasibility study established a budget estimate together with outline designs for the scheme for a single storey extension with extended office and toilet facilities. The next stage will be to develop the design to RIBA Stage 4 of Technical Design and to procure the project to secure tenders.

The additional space will allow for a library service to operate from the building on a permanent basis with 15 hours supported by a library member of staff but outside of these hours the service will operate via a self-service kiosk so access to the books can be maintained throughout the week. The additional room will allow for other activities to be offered by Nechells POD.

A petition with 391 signatures was submitted to Birmingham City Council in December 2018 supporting an extension to house a library and community café at Nechells Pod.

## **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 City Council Plan :2018 -2022** specifically:

Outcome 2 Birmingham is an aspirational city to grow up in.

Outcome 3 Birmingham is a fulfilling city to age well in

Outcome 4 Birmingham is a great city to live in.

Nechells Pod offers essential community services which are focused on learning and increasing residents' independence enabling local people and communities to thrive.

The Pod works towards creating a strong cohesive community which values and supports each of



its members, allowing them to influence the services and decisions affecting their neighbourhood.

**Finance** - Ladywood District Committee (as was) were consulted on a plan to dispose of a range of not-fit-for-purpose expensive buildings in Nechells Green area and use the capital receipts to a) achieve revenue budget savings b) re-invest in a purpose-built community library facility. These buildings being:

- Nechells Neighbourhood Office
- Nechells Play Centre
- Bloomsbury Library
- Nechells Green Community Centre

SHINE@NechellsPOD CIO currently have a management agreement with BCC which involves BCC having no direct responsibility for any operational costs associated with the building. This financial arrangement will continue via the CAT.

### **Community Library Service Tiered Delivery Model (Cabinet 14th February 2017) –**

Bloomsbury Library (replacement) has been identified as a tier 3 provision. Tier 3 libraries will be professionally supported by Birmingham City Council but led by local communities and volunteers. The Council will be looking to work in partnership with local communities or other organisations in the city to provide library services in these locations. This will include volunteers undertaking library duties in order to achieve enhanced opening hours.

As part of the partnership the council will offer 15 hours of professional staff support per week. The City Council will provide access to the Library Management system, through a self-service terminal, training and support through a parent Tier 1 Library. Consideration will also be given to Community Asset Transferring the building from which the library currently operates. This option gives community organisations the opportunity to lead, manage and deliver their Library Service. Tier 3 libraries will provide the opportunity for community organisations to maintain or introduce services to meet local demand; Will provide a focus for the local community; Offer other services as led by community needs; Volunteer support to deliver the offer; Provide Social space; Provide self-service access to borrow, return and reserve stock from the city's libraries.

### **Property Strategy 2018/19 – 2023/24 specifically:**

Community – support third party not for profit organisations to deliver City Council's core objectives, encouraging independent social cohesion using sport, culture and third sector neighbourhood activities.

Operational – efficient and rationalised buildings to support the provision of modern 21st century council services.

## **B2. Project Deliverables**

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

A new single storey extension approx. 88m2 to include a multipurpose room with storage and café facility and to reconfigure space within the existing building to include refurbished DDA toilet, extended office and new front entrance. To be used as a community library and when not be used for this purpose to be used to support other community activities.

## **B3. Project Benefits**

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

Measure	Outline 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</i>
A tier 3 library service will be able to operate from dedicated space.	The corridor will no longer be taken up with shelving which creates congestion and is also difficult to manage and monitor with an impact

	on the safeguarding measures for the centre
A fuller range of library services will be on offer to the local community	Prescribed services will include free internet access, assisted digital support, job clubs, business start-up sessions, job search database, CV writing workshops, online courses, story time and rhyme times, Summer reading challenge etc.
The extension is to be a sustainable construction. Energy efficient fittings are to be used e.g. LED lighting on a motion sensor,	To reduce energy consumption having a positive impact on the carbon footprint.
New front entrance will allow for areas to be zoned for independent use.	Improved sightlines and security.
Nechells Pod is to be a Community Asset Transfer	Formalises the tenancy.

#### **B4. Property implications**

*Describe any implications for Council properties and for the Council's property strategies*

Nechells POD, Oliver Street sits in the Education, Skills and Culture portfolio. It is operated by SHINE@NechellsPOD CIO. The tenant has a management agreement with BCC which commenced in July 2008. The tenant occupies the building rent free but is responsible for all building related repairs and maintenance costs (inclusive of running costs e.g. gas, electricity, refuse etc.) A requirement of this investment will be to review this arrangement either through a Community Asset Transfer or similar. This will support the Property Strategy 2018/19 -2023/24 by reducing the need for Council delivered services and continue to empower the POD community to continue being a 'best in class' partner organization.

### **C. ECONOMIC CASE - 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. Options reviewed**

*A full description and review of each option is in Section G1*

Please note an earlier options appraisal was carried out in 2014/15 as illustrated in A2 of this document following the closure of Bloomsbury Library whereby a wide range of options were investigated and considered prior to focusing on the following:

- Option 1 – Do nothing (business as usual) – this does not allow for the delivery of an efficient and effective library service for the community. Currently the library provision is limited to the loan of books with no support services i.e. public use P. C's, homework clubs, reading groups, storytelling. Also, the current operation with shelves in the entrance corridor creates a safeguarding/security risk for other users of the centre as the public need to be managed and monitored.
- Option 2 – Stand-alone new build – whilst this would offer the opportunity for a full range of library services the new library tier model does not identify this as a tier 1 library therefore it would need to be financially sustainable. There is insufficient revenue funding to operate a standalone facility or afford the running costs. Also, a priority of the Property Strategy is to co locate services rather than have them operating in silos.
- Option 3 – Extension to the POD – this would offer the flexible space to support a fuller library service whilst also providing the local community opportunities to volunteer to assist in the running of a library and café facility. When not in operation the space can be used by the POD to expand the range of activities they offer. They are limited by the current space availability.

<b>C2. Summary of Options Appraisal – Price/Quality Matrix</b>									
	Option score (out of 10)				Weight	Weighted Score			
Criteria	1. Do nothing	2. New build	3. Extend			1. Do nothing	2. New build	3. Extend	
1. Total capital cost	8	4	6		20	1.6	0.8	1.2	
2. Upfront revenue cost	4	6	6		5	0.2	0.3	0.3	
3. Full year revenue consequences	6	4	8		10	0.6	0.4	0.8	
4. Benefits: Council priorities	2	6	8		25	0.5	1.5	2	
5. Benefits: Service priorities	2	6	8		25	0.5	1.5	2	
6. Deliverability and risks	4	4	8		10	0.4	0.4	0.8	
7. Other impacts	2	6	8		5	0.1	0.3	0.4	
<b>Total</b>	28	36	52		<b>100%</b>	3.9	5.2	7.5	
Further details are given in the Options Appraisal Records attached at the end of this OBC.									
<b>C3. Option recommended, with reasons</b>									
<i>Which option is recommended and the key reasons for this decision?</i>									
In line with the principles set out in the Property Strategy methodology of operating out of “Hub” type buildings where multi service provision can be delivered out of a single building and the remodelling of the Library offer whereby a tiered library model has been introduced the options were revisited. The Client identified the need to have a flexible Library / community facility within the Nechells Ward for the local community. Nechells Pod was identified as the most suitable building to collocate the library service.									
<b>C4. Risks and Issues of the preferred option</b>									
An Outline Risks and Issues Register is attached at the end of this OBC, including risks during the development to Full Business Case stage.									
The main risk at this stage is the tenders exceeding the budget. If this is the case, then the scheme will need to be value engineered to deliver it within the available funds.									
<b>C5. Other impacts of the preferred option</b>									
<i>Describe other significant impacts, both positive and negative</i>									
This proposal supports a Community Asset Transfer which will provide the community organisation and BCC with a formal tenancy agreement via a lease.									
This proposal addresses the short fall in library service provision in the Nechells community since the closure of Bloomsbury Library in 2013.									

**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 library will operate as a Tier 3 model library which will operate 15 hours a week, run by volunteers supported by a member of the Library Service. The space when not operating as a library will be used for other activities to ensure it is fully utilised.

The accountable body will be Shine@NechellsPOD

**D2. Procurement implications:**

*What is the proposed procurement strategy and route? Which Framework, or OJEU?*

The project will be administered by Acivico Ltd who will either procure via the Building Fabric Repair and Maintenance Framework Agreement – POD2 whereby a mini tendering exercise will be carried out or advertise tenders from the open market via Find it on Birmingham.

**E. FINANCIAL CASE***This sets out the cost and affordability of the project***E1. Financial implications and funding**

	Financial Year: pre 2019/20	2019/20	2020/21	later	Total
	£000	£000	£000	£000	£000
Capital code: <input type="text"/>					
<b>CAPITAL EXPENDITURE</b>					
Capital costs already incurred	23.0				<b>23.0</b>
Development costs to proceed to FBC			30.0		<b>30.0</b>
Other costs to complete:					
Fees	0.0		27.0	5.0	<b>32.0</b>
Land acquisition	0.0				<b>0.0</b>
Works			450.0	45.0	<b>495.0</b>
[please itemise other costs]					<b>0.0</b>
					<b>0.0</b>
Contingencies					<b>0.0</b>
<b>Total capital expenditure</b>	<b>23.0</b>	<b>0.0</b>	<b>507.0</b>	<b>50.0</b>	<b>580.0</b>
<b>CAPITAL FUNDING:</b>					
Development costs funded by:					
capital receipt CA-02809-03	23.0		57.0		<b>80.0</b>
					<b>0.0</b>
Other costs funded by:					
capital receipt			450.0	50.0	<b>500.0</b>
(Nechells CC)					<b>0.0</b>
					<b>0.0</b>
<b>Total capital funding</b>	<b>23.0</b>	<b>0.0</b>	<b>507.0</b>	<b>50.0</b>	<b>580.0</b>

## APPENDIX 1

Financial Year:	2019/20	2020/21	2021/22	later	Total
	£000	£000	£000	£000	£000
Revenue code: <input type="text"/>					
<b>REVENUE CONSEQUENCES</b>					
Revenue costs during project delivery:	0.0	0.0	0.0	0.0	0.0
					0.0
Operating period expenditure:					
[Library Service contribution]	16.7	16.7	14.7	14.7	62.8
<a href="#">SHINE@NechellsPOD CIO</a>	18.5	18.5	18.5	18.5	74.0
					0.0
					0.0
Less income:					
[please itemise] <i>[enter as negatives]</i>					0.0
					0.0
Less proposed savings					0.0
<b>Net revenue consequences</b>	<b>35.2</b>	<b>35.2</b>	<b>33.2</b>	<b>33.2</b>	<b>136.8</b>
<b>REVENUE FUNDING:</b>					0.0
Current budget provision					0.0
Other revenue resources identified:					0.0
[Library Service contribution]	16.7	16.7	14.7	14.7	62.8
<a href="#">SHINE@NechellsPOD CIO</a>	18.5	18.5	18.5	18.5	74.0
<b>Total revenue funding</b>	<b>35.2</b>	<b>35.2</b>	<b>33.2</b>	<b>33.2</b>	<b>136.8</b>
<p><b>All building related running costs will continue to be funded by SHINE@NechellsPOD CIO.</b></p>					
<b>E2. Evaluation and comment on financial implications:</b>					
<p>Capital costs are to be funded from capital receipts from the sale of assets within the Nechells Ward. The sale of these assets was supported by local members on the proviso that the funding was reinvested into a library /community facility within the ward.</p> <p>The operational running costs are the responsibility of the tenant Shine@NechellsPod.</p>					
<b>E3. Approach to optimism bias and provision of contingency</b>					
<p>A construction contingency of approx. 4 % has been included.</p>					
<b>E4. Taxation</b>					
<p><i>Describe any tax implications and how they will be managed, including VAT</i></p> <p>To be procured internally (via BCC) therefore no tax implications.</p>					
<b>F. PROJECT MANAGEMENT CASE</b>					

<i>This considers how project delivery plans are robust and realistic</i>	
<b>F1. Key Project Milestones</b>	<b>Planned Delivery Dates</b>
Approval of Capital funding ( capital receipt)	March 2019
Capital Board	2 <sup>nd</sup> June 2020
OBC approval	June 2020
CAT completed	July 2020
Developed design	July 2020
Planning permission submitted	August 2020
Technical design and tender documentation	August 2020
Main contract out to tender (FIIB)	September 2020
Tender returns	October 2020
Contract award & FBC approval	Dec 2020/Jan2021
Contractor lead in	Feb 2021
Start on site	March 2021
Date project operational / complete	Sept/Oct 2021
Date of Post Implementation Review	Oct 2022
<b>F2. Achievability</b>	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<p>Property Services and Acivico Ltd have worked together to deliver similar successful projects e.g. most recently on creating an extension to the nursery unit at the Birmingham Crisis Centre. This was procured via FIIB. The contract was administered by Acivico and projected managed by BPS. The project was delivered within budget (including an underspend of approx. £4k) and within programme. It is envisaged that Property Services would act as Client PM and have overall responsibility for delivery within the agreed tolerances (cost, time, quality).</p>	
<b>F3. Dependencies on other projects or activities</b>	
<p>Sale of Nechells Community Centre – to secure capital receipt (this has now achieved £1.3m at auction on 14/02/2019)</p> <p>Approval of capital budget.</p> <p>Planning approval for extension.</p> <p>FBC approval.</p>	
<b>F4. Products required to produce Full Business Case</b>	
<i>This should be a full list of the items required in order to produce a Full Business Case.</i>	
<ul style="list-style-type: none"> <li>• Financial plan including funding</li> <li>• Technical design to stage 4 of the RIBA Plan of Work</li> <li>• Submission of planning application</li> <li>• Building Regulations</li> <li>• Community Asset Transfer agreement with the building operator.</li> <li>• Tender documentation and submissions</li> <li>• Consultation/Stakeholder analysis</li> <li>• Design and Access statements</li> </ul>	
<b>F5. Estimated time to complete project development to FBC</b>	
<i>Give an estimate of how long it will take to complete the delivery of all the products stated above and incorporate them into a Full Business Case.</i>	
6 months	

**F6. Estimated cost to complete project development to FBC**

*Provide details of the development costs shown in Section F1 above (capital and revenue). This should include an estimate of the costs of delivering all the products stated above, and incorporating them into a Full Business Case. The cost of internal resources, where these are charged to the project budget, should be included. A separate analysis may be attached.*

Spent to date: £23k fees for a concept design and initial surveys including condition ground, utilities, topographical and bomb survey.

Additional £30K required to develop design and specification to tender and progress to FBC

**F7. Funding of development costs**

*Provide details of development costs funding shown in Section F1 above.*

Capital Receipt from the sale of Nechells Play Centre CA-02809-03 £80K (£23K spent to date)

Capital receipt from the sale of Nechells Community Centre £500k

**F8. Officer support**

**Project Manager: Lesley Steele**

**Project Accountant: Lisa Pendlebury**

**Project Sponsor: Chris Jordan AD Neighbourhoods**

**F9. Project Management**

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

The construction contract will be administered via Acivico Ltd the client will be represented by the client PM who will be responsible for ensuring the governance process and project methodology is adhered to.

Project Board Members: Proposal :Finance Parmjit Phipps

Service: Chris Jordan

Property Services : Phillip Andrews



**G. SUPPORTING INFORMATION**

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

**G1. OBC OPTIONS APPRAISAL RECORDS (these are summarised in section C2)**

*The following sections are evidence of the different options that have been considered in arriving at the proposed solution. All options should be documented individually.*

<b>Option 1</b>	<i>Do Nothing</i>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• <i>The existing spatial capacity of the 'Nechells Pod '</i></li> <li>• <i>Location and infrastructure including links to public transport</i></li> <li>• <i>Capital and revenue funding</i></li> <li>• <i>Revenue operational/running costs</i></li> <li>• <i>Opportunity to work with partner organisations in a joined-up service approach</i></li> <li>• <i>Opportunity to extend and improve its service delivery offer to the local community.</i></li> <li>• <i>Safeguarding implications</i></li> </ul>
<b>Pros and Cons of Option</b>	<p><b><i>What were the advantages/positive aspects of this option?</i></b></p> <ul style="list-style-type: none"> <li>• <i>Capital receipts can be utilised on other projects</i></li> </ul> <p><b><i>What are the Disadvantages/negative aspects of this option?</i></b></p> <ul style="list-style-type: none"> <li>• <i>The library service is at risk of being lost. Temporarily located in the corridor of the Pod is both a health and safety risk but also impacts on the security/safeguarding of the centre.</i></li> </ul> <p><i>Due to the limited space and capacity of the existing building:</i></p> <ul style="list-style-type: none"> <li>• <i>It does now allow for the library service to provide digital activities and training to the community as there is no space for P. C's.</i></li> <li>• <i>No volunteer opportunities for members of the community to learn new library skills</i></li> <li>• <i>Cannot extend the library service offer e.g. additional activities, programmes and initiatives.</i></li> <li>• <i>Limited access to arts and culture especially for those in the community who are less likely to access arts and culture.</i></li> </ul>
<b>People Consulted</b>	<i>Elected Members, library staff, Pod representatives, users, local community, Leader of the Council, Acting Director Neighbourhoods, A.D Neighbourhoods, AD Education and Skills</i>
<b>Recommendation</b>	<i>Abandon</i>
<b>Principal Reason for Decision</b>	<i>This option does not provide an opportunity to expand on the service delivery offer or support the development of the local community.</i>

<b>Option 2</b>	<i>Standalone new build</i>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• <i>The existing spatial capacity of the 'Nechells Pod '</i></li> <li>• <i>Location and infrastructure including links to public transport</i></li> <li>• <i>Capital and revenue funding</i></li> <li>• <i>Revenue operational/running costs</i></li> <li>• <i>Opportunity to work with partner organisations in a joined-up service approach</i></li> <li>• <i>Opportunity to extend and improve its service delivery offer to the local community.</i></li> <li>• <i>Safeguarding implications</i></li> </ul>

<b>Pros and Cons of Option</b>	<p><b>What were the advantages/positive aspects of this option?</b></p> <ul style="list-style-type: none"> <li>• Provision of a purpose-built modern library facility.</li> <li>• Reduced maintenance costs associated with a new build</li> <li>• A new build would be more attractive to a partner organisation to operate.</li> <li>• Allows the library service to provide additional services based on local needs.</li> <li>• A new build provides an opportunity to operate as a hub building if service partners can be identified.</li> </ul> <p><b>What are the Disadvantages/negative aspects of this option?</b></p> <ul style="list-style-type: none"> <li>• Insufficient revenue funding to operate and maintain a standalone facility.</li> <li>• This library has been identified as a tier 3 provision which would require a community group to take on the running of the facility. No group has been identified to take on this offer.</li> <li>• The capital funding identified may not be sufficient to afford a stand-alone building.</li> </ul>
<b>People Consulted</b>	<i>Elected Members, library staff, Pod representatives, users, local community, Leader of the Council, Acting Director Neighbourhoods, A.D Neighbourhoods, AD Education and Skills</i>
<b>Recommendation</b>	<i>Abandon</i>
<b>Principal Reason for Decision</b>	<i>Revenue and capital affordability</i>

<b>Option 3</b>	<i>Extension to 'The Pod'</i>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• The existing spatial capacity of the 'Nechells Pod '</li> <li>• Location and infrastructure including links to public transport</li> <li>• Capital and revenue funding</li> <li>• Revenue operational/running costs</li> <li>• Opportunity to work with partner organisations in a joined-up service approach</li> <li>• Opportunity to extend and improve its service delivery offer to the local community.</li> <li>• Safeguarding implications</li> </ul>
<b>Pros and Cons of Option</b>	<p><b>What were the advantages/positive aspects of this option?</b></p> <ul style="list-style-type: none"> <li>• An affordable proposal.</li> <li>• A partner who can work with the Library Service and support a tier 3 library model.</li> <li>• It would be located within an established, successful community operated building.</li> <li>• Infrastructure to operate already in place e.g. car parking, staffing, toilets etc.</li> <li>• BCC owns the building (The Pod)</li> <li>• Idea location with good transport routes.</li> </ul> <p><b>What are the Disadvantages/negative aspects of this option?</b></p> <ul style="list-style-type: none"> <li>• Substantial one-off capital investment required to deliver the extension</li> </ul>

<b>People Consulted</b>	<i>Elected Members, library staff, Pod representatives, users, local community, Leader of the Council, Acting Director Neighbourhoods, A.D Neighbourhoods, AD Education and Skills</i>
<b>Recommendation</b>	<i>Proceed</i>
<b>Principal Reason for Decision</b>	<i>The building identified as the Pod is operated by a successful well-established community group who will support the running of a tier 3 library service. This proposal offers an affordable solution to providing a library service to the local community.</i>

<b>G2. OUTLINE RISKS AND ISSUES REGISTER</b>			
<i>Risks should include Optimism Bias, and risks during the development to FBC</i>			
<i>Grading of severity and likelihood: High – Significant – Medium - Low</i>			
		Risk after mitigation:	
Risk or issue	mitigation	Likelihood	Severity
1. Planning permission is refused	Early consultation with planning officer prior to submission of the planning application to ensure it will be supported	Low	Medium
2. Tenders come in over budget	A pretender estimate will be established to gauge affordability. The specification will be value engineered if a cost cutting exercise is required to look at options	Medium	Medium
3. Programme delayed	A draft programme will be compiled in line with the schedule of activities including some float to offset any delays	Medium	Low
4. Unforeseen additional works are identified	Intrusive surveys will be carried out as part of the feasibility/design works. A contingency will be included within the overall cost to offset any risks.	Low	Low
5. CAT not approved	BCC to support and work alongside Shine@NechellsPOD CIO to ensure there is a robust business case	Low	Low
6. User/partner expectations are not managed	Consultation with all stakeholders will be ongoing throughout the project to ensure all are kept informed of progress.	Low	Low
7. Departure of key members of the project/delivery team	Work is done on a team basis with sharing of information.	Medium	Low
8. Limited capacity on site for contractor/compound	The site of the extension will be cordoned off together with the bottom end of the car park for sole use of the contractor. Users can park on the road during the duration of the construction contract as a temporary measure.	Low	Low

