

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	WAVERLEY SCHOOL FULL BUSINESS CASE		
Voyager code	CA-01903-02-1-233 1BA0 3R0		
Portfolio /Committee	Education, Skills & Culture	Directorate	Education and Skills
Approved by Project Sponsor	Jaswinder Didially	Approved by Finance Business Partner	John Betts

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

Cabinet Report April 2020 – Schools Capital Programme – School Condition Allocation, Basic Need Allocation 2020 -21 + Future Years

A3. Project Description

The project will provide facilities to enable 134 additional pupils to be accommodated on the Waverley School site. Waverley School is a PFI site. The works to be undertaken include:

- Enclosing the current external balcony spaces and converting them into 6 classrooms, one of which will be a specialist science room.
- Creating additional changing rooms on a lower ground floor terrace area.
- Developing a new small kitchen within the dining hall to supplement the existing catering delivery.

The works will allow use of the new areas from September 2020.

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, an entrepreneurial city to learn, work and invest in
- Birmingham, an aspirational city to grow up in
- Birmingham, a fulfilling city to age well in
- Birmingham, a great city to live in
- Birmingham residents gaining the maximum benefit from hosting the Commonwealth Games; and
- Birmingham a city that takes a leading role in tackling climate change.

B2. Project Deliverables

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<p><i>These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc</i></p>	
<ul style="list-style-type: none"> • The Project will provide facilities to deliver 134 additional secondary pupil places at Waverley School to fulfil the Authority's obligations. • Works to be completed for occupation of areas by September 2020. • 315 m² of additional internal floor area to be created from external balconies and terraces - including 6 teaching spaces, and additional changing spaces in the main school building. • Remodelled storeroom within the existing dining hall to create an additional small kitchen with hot servery. • Making good of areas affected by the works. • Formal variation / change control to the existing PFI contract to accommodate the alterations. 	
<p>B3. Project Benefits</p>	
<p><i>These are the social benefits and outcomes from the project, eg additional school places or economic benefits.</i></p>	
Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (eg for economic and transportation benefits)</i>
The students will be taught in modern fit for purpose accommodation allowing for the delivery of a quality education.	Providing appropriate accommodation addresses identified demand and fulfils the Authority's statutory obligations to provide sufficient pupil places
The project delivers new teaching places.	Raised standards, improved behaviour, staff well-being and reduced turnover, mobility, facilitation of the sharing of good practice.
Support and enrich community and family learning e.g. positive parenting programme, basic skills, opportunities to address worklessness.	Children and young people will have a safe, warm and dry environment before, during and after school hours.
Promoting designs which support Birmingham's Education Vision.	Creating teaching and learning environments that are suitable for delivering education.
<p><i>For major projects and programmes over £20m:</i></p>	
<p>B4. Benefits Realisation Plan</p>	
<p><i>Set out here how you will ensure the planned benefits will be delivered</i></p>	
<p>Options have been reviewed throughout the feasibility stage, and in the Outline Business Case, to ensure that the final solution being developed will allow the existing school site to accommodate 134 additional pupils whilst maintaining the current quality of curriculum delivery.</p> <p>The design has been prepared by the PFI Project Co (SPV) and their subcontractor, Engie (FM Provider). The Authority has engaged specialist PFI contract management consultants to assist with the management of this project and to ensure the schools and Authorities concerns and requirements are incorporated. To ensure the design is built to allow the benefits to be realised, the project will be managed by EDI, EDI's Consultant, the SPV and its FM Contractor, and the End User throughout the duration of the project development and delivery.</p> <p>The following project controls are being included by all parties:</p> <ul style="list-style-type: none"> • Project deliverables established and being developed with End User – this has allowed all parties to be clear on the final solution and for the costs and programme to be finalised. • Regular fortnightly or monthly meetings held with Project Team and SPV/Contractor – this ensures that updates are provided to the School and Authority in a timely manner and allows any decisions to be made with full consideration by all parties. This will also allow all concerns around working on a live school site to be recorded and mitigated. • Engagement meetings held with End User & other relevant stakeholders – the School have been involved in the development of the scheme and have been fully consulted by the SPV, FM Provider and the Authorities consultant. Their requests and issues have been addressed 	

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wherever possible. The focus on achieving 134 additional places by September 2020 has been the overriding driver for all decisions in conjunction with the control of costs.

- Programme monitored and developed to ensure that required timescales are achieved – the programme is reviewed at the regular meetings and challenged by the Authority and their consultants.
- Scheme costs assessed, developed and monitored – the scheme has been costed in detail by the FM Provider, and any SPV costs have also been included. Elements of school additional spend and any risk have also been allocated against the scheme to ensure that the costs will be achieved.
- Detailed tender evaluation to establish site specifics to confirm programme and costs.
- Dialogue with Planners established to ensure that planning considerations are included within proposals and conditions are minimal – the design development has required additional dialogue with the Planners and an additional submission to cover the roof line works for ventilation plant. This is with the Planners, but no challenges are anticipated.
- Post completion / handover – the Parties will all be included in the handover process for the scheme and a detailed review of the anticipated benefits will be carried out throughout the project. The scheme will include a post completion review to address any outstanding issues.

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.

A number of options were considered as part of the options appraisal:

- Do nothing – this option would mean the necessary additional places to the school which the area needs would not be provided.
- The preferred option is to create teaching areas for the additional 134 pupils by developing classrooms within the unused external balcony areas and to build an additional hot kitchen servery, by converting and extending an existing large School store located within the current dining area. An increase in the changing room capacity is also required for the increased pupil numbers, which is being accommodated through the conversion of an external terrace area into changing room facilities.

C2. Evaluation of key risks and issues

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

- Planning Permission for the scheme - ongoing engagement with BCC Planner to ensure that planning considerations are fully incorporated into scheme proposals.
- Timescales to maintain places for academic year 2020/2021 - detailed programme prepared and surveys ongoing to identify site specific requirements and ensure these are factored into works programme.
- Engagement of End User – regular meetings have been set and regular engagement of End User representative to ensure that they are fully supportive of proposals
- Extensive work on a live site – Safeguarding and educational continuity will be of paramount importance throughout the life of this project.

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

- Permanent Facilities – will provide appropriate accommodation to meet education standards for 21st Century teaching provision.
- Additional facilities to address increased pupil capacity on the preferred school site.
- Improved use for the underused external balcony areas.
- Increased catering facilities which have been at maximum capacity in recent times.

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 Education and Infrastructure
- Project Manager, Quantity Surveyor and Principal Designer services will be provided by Engie
- End User will be Waverley School
- Contractor will be Engie procured through the BSF Birmingham PFI Contract

Project will be managed by EDI, EDI's Consultants, the SPV and its Contractor, and the End User throughout the duration of the project development and delivery to ensure that project deliverables are achieved.

- Project deliverables established and being developed with End User
- Regular 2 – 4 weekly meetings held with Project Team and SPV/Contractor
- Engagement meetings held with End User & other relevant stakeholders
- Programme monitored and developed to ensure that required timescales are achieved.
- Scheme costs 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 Authority signed up to the BSF PFI contract in 2009. The PFI contract excludes the Authority from making any changes to the PFI Building or Estate without following specific change clauses within the PFI Agreement. This means that the project needs to be developed as a variation to the existing PFI Project Agreement and has levels of approval by the PFI Board and their funders. Under the PFI Project Agreement this project is deemed to be a High Value Change. The process is laid out in detail and requires that the works are carried out by the SPV and their chosen provider, Engie. The contract variation documentation is being finalised with the SPV to ensure that the project does not adversely affect the ongoing PFI contract or transfer any additional risks on to the Authority. The Authority consultants are advising on this matter from their extensive experience in this area.

D3. Staffing and TUPE implications:

No TUPE implications via the capital project

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Capital Costs & Funding	Voyager Code	Financial Year	Financial Year	Totals
		2019/20	2020/21	
Expenditure Waverley School	CA-01903-02-1- 233 1BA0 3R0			
Construction costs, Design, Surveys, Investigations, Planning & Statutory Fees			£793,000	£793,000
Professional Fees (including SPV Costs)		£27,037	£240,617	£267,654
EdSI capitalisation		£3,065	£29,205	£32,270
FF&E			£15,000	£15,000
Total Project Cost		£30,102	£1,077,822	£1,107,924
Funding sources				
Basic Need	CA-01903-02-1- 233 1BA0 3R0	£30,102	£1,077,822	£1,107,924
Totals		£30,102	£1,077,822	£1,107,924

E2. Evaluation and comment on financial implications:
<p>The current costs for the project are based on a feasibility design developed with the PFI SPV/Contractor and have been reviewed and assessed against current construction industry values.</p> <p>The scheme design has been further developed and the scheme is out to tender in the market to ensure that best value is achieved and to provide 3 quotes for all necessary packages.</p> <p>Contractors Proposals, including a fully costed Activity Schedule will be submitted and reviewed by Consultants and EDI and the Contract Award will made on the agreed submission (which will be the most economically advantageous).</p>
E3. Approach to optimism bias and provision of contingency
Basic Need
E4. Taxation
<i>Describe any tax implications and how they will be managed, including VAT</i>
N/A

F. PROJECT MANAGEMENT CASE	
<i>This considers how project delivery plans are robust and realistic</i>	
F1. Key Project Milestones	Planned Delivery Dates
<i>The summary Project Plan and milestones is attached at G1 below</i>	
Cabinet Approval	23rd June 2020
Planning application submitted	April 2019
Planning application approved	December 2019
Planned start date for delivery of the Scheme	27th July 2020
Main contract award	1st July 2020
Practical completion	14th September 2020
Date of Post Implementation Review	14th September 2020
F2. Achievability	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<ul style="list-style-type: none"> • Scope of work identified as in the project description. • Site investigation reports have shown no abnormal conditions. • Programme and costs developed. • Funding is in place. • Contractors have considerable previous experience. • Availability of resources. • Similar projects have been delivered on budget and to time by using experienced internal project managers, BCC recognised building experts and following BCC guidelines. • The project team has successfully delivered similar projects 	

F3. Dependencies on other projects or activities		
<ul style="list-style-type: none"> • Placing orders with Contractor. • Planning Permission 		
F4. Officer support		
Project Manager:	Zahid Mahmood 07860906126	Capital Programme Manager, Education Infrastructure zahid.mahmood@birmingham.gov.uk
Project Accountant:	Jaspal Madahar 07766922478	Finance and Resources Manager Jaspal.madahar@birmingham.gov.uk
Project Sponsor:	Jaswinder Didially 07825 117334	Head of Education Infrastructure jaswinder.didially@birmingham.gov.uk
F5. Project Management		
<i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>		
As per D1		

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

Attached Programmes for delivery of Permanent Accommodation

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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
Stakeholders do not consider School Travel Plans and transportation issues prior to consultation	Review school travel plans in partnership with transportation prior to local consultation in order to mitigate possible objections.	Low	High
Stakeholders do not engage in project and do not sign up to the solution	The Design Team will ensure regular meetings and consultation with stakeholders and end user	Low	Medium
New Free Schools and Academies opening across Birmingham	Liaise closely with Free School Providers and Academies when planning the provision of Additional Secondary Places.	Medium	Medium
Building costs escalate	The Design Team will closely monitor the schedule of works and build costs. Cost schedules include contingency sums. Any increase in costs will need to be met through value re-engineering to ensure projected spend remains within overall allocation	Low	Medium
Building works fall behind	The Design Team will closely monitor schemes on site and liaise with Contractor Partners to identify action required.	Medium	Medium
BCC faced with increasing revenue costs	Consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset will be the responsibility of Waverley School and funded from the Academy's General Annual Grant (received by the Academy from the EFA).	Low	Low
Problems with contract procurement process	Work closely with Partners to ensure compliance with City Council standing orders.	Low	Low
Planners refuse consent	Work with planners to agree solution on the roof level plant that will be acceptable prior to final submission.	Medium	Low

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

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

Basic Need Funding

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	Ratification of BCC approach to TBN	Strategy not approved	Early Consultation and Regular Briefing on all aspects of Special Provision	BCC / EDI
Planning Officers	Granting Planning Consent	High	Close Liaison with EDI to design a scheme that can receive planning approval	N/A	Frequent communication on all aspects of project design	School's Consultant Project Manager EDI Project Officer
School Leadership Team / Governors	Governing Body Agreement and End Users	High	Compliance with GBA Ongoing Revenue costs for R&M once build complete	N/A	Governing Body Agreement signed and regular project meetings	School Leadership Team / Governing Body EDI Project Officer
Pupils	End user	Low	Consultation	Nil	Through schools council	School Leadership Team
Ward Councillors	Knowledge of other developments affecting local communities that may link into project	High	Consultation with community and support for project	Objections from local residents	Involve in consultation and planning permission process	EDI Project Officer Governors/ School Leadership Team

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)

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

Other Attachments <i>provide as appropriate</i>	
<ul style="list-style-type: none"> Permanent delivery programme 	
<ul style="list-style-type: none"> 	