

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	Replacement of Quinborne Community Centre Roof		
Voyager code	RLT72		
Portfolio /Committee	Homes & Neighbourhoods	Directorate	City Operations
Approved by Project Sponsor	Chris Jordan 27.01.22	Approved by Finance Business Partner	Carl Tomlinson 01.02.22

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

Due to the urgency of these works a Full Business Case has been prepared supported by an Options Appraisal

A3. Project Description

The project is the replacement of the roof at the Quinborne Community Centre to:

- protect a Council asset from deterioration and, potentially, falling into dereliction;
- allow the local community to continue to access the social and health benefits of regular community activities, which help develop social cohesion and combat isolation; and
- fulfil the Council's legal liabilities as landlord.

Quinborne Community Centre is a BCC owned asset on Ridgacre Road in Quinton, let for 25 years (until 2033) to the Quinborne Community Association on an historic grant-for-rent lease arrangement. The building is a large community facility with multiple groups and activities operating on site and is attached to a BCC Library (shared access).

Responsibility for the maintenance of the internal fabric of the building, statutory testing, and upkeep of the grounds lies with the Community Association but the terms of the lease mean that liability for structural repairs and the roof remain with the Council.

The roof began to leak, allowing the ingress of water causing damage to internal fittings and fixtures. A surveyor's inspection revealed the roof had deteriorated beyond the point of repair and in places is too dangerous to access. The roof defects continue to worsen with each weather event and if the situation is not addressed the structural damage and repair costs will only escalate further. .

The proposed project is to undertake full replacement of the flat roofs, including replacing the worn out thermal insulation.

This business case seeks approval to prudential borrowing of £323,358 with the annual cost (repayment of capital and interest) of £20,449 per year over 20 years to be funded by the service from its existing revenue budget.

A4. Scope

- Full replacement of flat roofs to the single storey areas
- Replacing thermal insulation
- Repairs to replace roof lights
- Repairs to defective decking
- Repairs to rainwater goods and tank rooms claddings

A5. Scope exclusions

No work to the roof of the adjoining Library is within the scope of this project, although Children's service have been advised of the planned work to the community centre.

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

The proposal supports the Birmingham City Council Plan 2018-2022 (as updated in 2019) by contributing to the Council's Key Priorities, specifically :

Priority 1 Birmingham is an entrepreneurial city to learn, work and invest in;

The Centre hosts a nursery facility which supports parents to access employment and training opportunities.

Priority 2 Birmingham is an aspirational city to grow up in;

In addition to the nursery, the Centre hosts a youth club and a variety of other activities for children and young people. The nursery helps develop younger children's social skills and abilities, enabling them to be more ready to start school. Activities such as street dance and youth club give young people the chance to meet new friends and develop life skills which assists their personal development, supports their wellbeing, and enables them to take advantage of future learning and job opportunities.

Priority 3 Birmingham is a fulfilling city to age well in;

The Centre is a local hub for the community and residents of all ages but runs activities specifically aimed at older citizens such as Tai Chi, Digital Learning, mental health support, and a Dementia Café. These activities help break down social isolation, encourage residents to feel part of the community and enable them to remain physically active and mentally alert.

Priority 4 Birmingham is a great clean and green city to live in;

The Quinborne Community Centre is part of the network of hubs across the City that serve a vital function in communities, giving people an opportunity to have fun, socialise, learn,

exercise and access key support services. Community and voluntary groups do incredible work to bring people together and to support individuals in difficult circumstances. Post pandemic, this support has assumed an even greater significance and facilities such as Quinborne Community Centre are key to community recovery.

Priority 6 Birmingham is a city that takes a leading role in tackling climate change;

Replacing the roof and improving the insulation will make the building more energy efficient and reduce carbon emissions. Once the roof has been replaced, the Community Association intends to explore fitting solar panels to generate electricity from a renewable source further reducing the carbon impact in line with the Council's ambition for the City to become carbon neutral.

The proposal 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

Birmingham Business Charter for Social Responsibility (BBC4SR)

The value of the works is below the threshold for works for the BBC4SR. However, the payment of the Real Living Wage will apply and form part of the conditions of the contract.

B2. Project Deliverables

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

The project seeks to undertake the replacement of the roof at the Quinborne Community Centre to:

- protect a Council asset from deterioration and, potentially, falling into dereliction;
- allow the local community to continue to access the social and health benefits of regular community activities, which help develop social cohesion and combat isolation; and
- fulfil the Council's landlord liabilities.

The replacement roof will be guaranteed for 20 years.

B3. Project Benefits

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

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>
Maintain public access to a community facility and a wide range of activities and services	Improved physical, mental and social health of local residents; improved community cohesion
Act as responsible landlord by meeting legal liabilities	Organisational reputational risk and potential legal costs avoided
Maintenance of BCC owned asset	Asset life extended and ad hoc R&M costs reduced

Improve the carbon footprint of the building by replacing worn out roof insulation	Reduced heating bills
B4. Benefits Realisation Plan <i>Set out here how you will ensure the planned benefits will be delivered</i>	
<p>A “lessons learnt” will be held with the client, contractor and Acivico Ltd at the end of the project to review successes and failures.</p> <p>A project implementation review will be held with the end user after 12 months + of the project being operational to learn what impact the new facility has had on the service.</p>	
B5. Stakeholders	
A stakeholder analysis is set out at G4 below. A summary of consultation responses is included in the covering Executive report.	
C. ECONOMIC CASE AND OPTIONS APPRAISAL <i>This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities</i>	
C1. Summary of options reviewed at Outline Business Case <i>(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.</i>	
<p>Option 1 - <u>recommended option</u> - complete the programme of roof repairs and renovation</p> <p>This is the only viable option given the roof has been condemned and the Council has liability for the external fabric of the building.</p> <p>Option 2 – patch repairs</p> <p>The professional advice is that the roof is beyond economic repair and in places is too dangerous to access therefore a full replacement is the only viable option.</p> <p>Option 3 - do nothing</p> <p>The City Council is legally and contractually liable for the works to be carried out, so this is not a viable option. Further, it would allow a BCC asset to fall into disrepair, deprive a local community of access to a valued facility that supports their physical, social and emotional wellbeing, and potentially cause reputational and political damage to the Council.</p>	
C2. Evaluation of key risks and issues <i>The full risks and issues register is included at the end of this FBC</i>	
The main risk is that current inflationary pressures in the building sector will drive prices up; and that the physical deterioration in the fabric of the roof will worsen resulting in escalating costs and an increasing health and safety risk.	

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

Overall, the project delivers positive benefits to the current and potential service users as set out in section B1.

However, the work may involve temporary disruption to service provision and constrain access to the community centre, which will be discussed prior to any works commencing and managed during the work. There is also a Library attached to the centre and a meeting will be arranged with the service to discuss and minimise any service disruption.

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

Acivico Ltd will manage the project on behalf of the client (the City Wide Community Centre Manager)

D2. Procurement implications and Contract Strategy:

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

The procurement strategy for the works to undertake a further competition exercise using Acivico Ltd's Constructing West Midlands Building Fabric Framework Agreement was approved in the Planned Procurement Activities report to Cabinet dated 22nd March 202

D3. Staffing and TUPE implications:

N/A

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

Capital Expenditure:	Financial Year 22/23 £'m	Financial Year 23/24 £'m	Financial Year 24/25 £'m	Later Years £'m	Totals £'m
Voyager capital code:					
Capital costs already incurred:					
Other costs to complete project :					
Fees	0.034				0.034
Land Acquisition Works					
Works	0.254				0.254
Contingencies	0.035				0.035
Total Capital Expenditure	0.323				0.323
Capital Funding:	Financial Year 22/23 £'m	Financial Year 23/24 £'m	Financial Year 24/25 £'m	Later Years £'m	Totals £'m
Development costs funded by: (<i>Please itemise</i>)					
Other Costs Funded by: Prudential Borrowing	0.323				0.323
Total Capital Funding Must fund all the costs	0.323				0.323
Revenue Consequences	Financial Year 22/23 £'m	Financial Year 23/24 £'m	Financial Year 24/25 £'m	Later Years £'m	Totals £'m
Voyager rev. budget code:	RLT72 L131				
Development costs (revenue)					
Operating period expenditure:					
Prudential Borrowing Charges		0.020	0.020	0.360	0.400
Income					
Savings					
Total Revenue Consequences		0.020	0.020	0.360	0.400

APPENDIX 1

Revenue Funding:					
Current Budgetary Provision		0.020	0.020	0.360	0.400
Other revenue resources identified: <i>Corporate Funding assumed additional 20 year life to facility</i>					
Total revenue funding		0.020	0.020	0.360	0.400

E2. Evaluation and comment on financial implications:

- The annual prudential borrowing cost of £20,449 for a period of 20 years will be contained within the existing revenue budget.

E3. Approach to optimism bias and provision of contingency

The project cost includes 14% for contingencies

E4. Taxation

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

The Council will be able to recover the 20% VAT on payments to the contractor under the normal procedures.

As this is a construction project, the requirements of HMRC's Construction Industry Tax Scheme will be included in the contract documentation to ensure the Council's compliance

F. PROJECT MANAGEMENT CASE

This considers how project delivery plans are robust and realistic

F1. Key Project Milestones

The summary Project Plan and milestones is attached at G1 below

Planned Delivery Dates

Capital Board	4 March 2022
Cabinet	26 April 2022
Start on site	June 2022
Practical completion	September 2022
Date Project operational	October 2022
Date of Post Implementation Review	December 2022

F2. Achievability

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

Acivico Ltd and the CWM#2 framework contractors have all got extensive experience and knowledge of working on refurbishment projects similar to this proposal

F3. Dependencies on other projects or activities

Securing capital funding
Building Regulations

Successful completion of the procurement process

F4. Officer support

Project Manager: Keith Dugmore, City-Wide Community Centre Manager

Project Accountant: Lisa Pendlebury

Project Sponsor: Chris Jordan, Assistant Director, Neighbourhoods Division

F5. 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 and the client will be represented by the Client PM who will be responsible for ensuring the governance process and project methodology is adhered to.

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

A detailed project plan will be agreed between the contractor and the client but will include :

- Pre-start site meeting with Quinborne Community Association, Acivico Ltd, BCC Children's Service (Library Manager), City Wide Community Centre Manager
- Risk Assessment for site users
- Communication with user groups
- Progress monitoring reports/meetings

G2. SUMMARY OF RISKS AND ISSUES REGISTER

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

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

		Risk after mitigation:	
Risk or issue	mitigation	Severity	Likelihood
1. Unforeseen additional works arise in course of refurbishment causing additional funding requirement	Comprehensive surveys have been carried out. All known risks will be evaluated, and a contingency sum allocated to mitigate overall project risk.	Low	High
2. Work not completed on time	Contractor will work to an agreed programme of scheduled activities that will be reviewed at each progress meeting. Slippage of activities will be highlighted at an early stage and activities rescheduled/adjusted to mitigate any delays	Medium	Low
3. Covid19 impacts on project development and delivery.	Government guidance will be adhered to. Updates will be monitored.	High	Low
4. Construction industry inflation impact on cost of materials and labour	Contingency sums have been included for the impact of inflation on the cost until the contract is awarded	High	Medium

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

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

N/A

G4. STAKEHOLDER ANALYSIS

Stakeholder	Role and significance	how stakeholder relationships will be managed
Quinborne Community Association (Tenant)	Service provider/High	Liaison between contractor, ACIVICO and service manager (as per C3)
Ward Councillors	Represent the ward and constituents/High	Service manager to manage communications
Children's Service - Library	Co-located on site/Medium	Service manager, tenant and library manager to liaise (as per C3)
Assistant Director Neighbourhoods	Overall responsibility of the asset/ High	Briefed through line management arrangements
Acivico Ltd/Contractor	Responsible for managing and carrying out the work/High	Regular progress review on-site and broader liaison meeting with Acivico Ltd

Other Attachments

provide as appropriate

- Appendix 1 A Options Appraisal

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