

## FULL BUSINESS CASE (FBC)

### A. GENERAL INFORMATION

#### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	<b>GILBERTSTONE PRIMARY SCHOOL - REPLACEMENT OF BOILERS, PLANT AND ALL ASSOCIATED WORKS CAPITAL WORKS – FULL BUSINESS CASE</b>		
<b>Oracle code</b>	B1-AV06H-P101-EC0-LV0013-TZZZZ-JZZZ-JXXX LV0013-379		
<b>Portfolio /Committee</b>	Children Young People and Families	<b>Directorate</b>	Children and Families
<b>Approved by Project Sponsor</b>	Zahid Mahmood	<b>Approved by Finance Business Partner</b>	Clare Sandland

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

Schools Capital Programme – School Condition Allocation, Basic Need Allocation 2023-24+ Future Years Cabinet Report (Subject to Cabinet approval 16<sup>th</sup> May 2023).

#### A3. Project Description

The project involves the replacement of boilers, plant and all associated works at Gilbertstone Primary, which have reached the end of their serviceable life and in serious risk of imminent failure following an inspection and survey.

#### A4. Scope

The scope of works includes the following:

- Removal of existing gas fired boilers, hot water cylinder and controls panel.
- Supply and installation of 3 number high efficiency gas fired boilers.
- Supply and installation of new flue system.
- Supply and installation of new indirect hot water cylinder.
- Supply and installation of new controls panel and wiring.
- All associated pipe work alterations and connections to existing.
- Supply and install modulated heating pumps.
- Supply and installation of all mechanical and manual isolating valves.
- Testing and commissioning on completion.
- All associated builders work.
- Installation of thermal insulation and valve jackets where applicable.
- All works to be completed as per Brandset Associates full specification and design.

#### 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*

- A Bold Prosperous Birmingham
- A Bold Inclusive Birmingham

- A Bold Safe Birmingham
- A Bold Healthy Birmingham
- A Bold Green Birmingham

The replacement of boilers, plant and all associated works at Gilbertstone Primary, meets the Council Plan objectives by ensuring that children and young people have a suitable and safe space to learn, grow and develop in so their full potential can be achieved.

## B2. Project Deliverables

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

To ensure educational and operational continuity and the minimisation of long-term disruption to Gilbertstone Primary School by completing the replacement of boilers, plant and all associated works.

## B3. Project Benefits

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

Measure	Impact
<i>List at least one measure associated with <b>each</b> of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
To allow continuation of education operations for Gilbertstone Primary School.	Completing the replacement project will minimise disruption to pupils at Gilbertstone Primary School in the long-term, and it allows the Council to meet its statutory obligations for school's conditions.
To provide a safe and dry learning environment for children and young people at Gilbertstone Primary School.	On completion of the programme of works, children and young people will have a safe, warm and dry environment before, during and after school hours.

## B4. Benefits Realisation Plan

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

The planned benefits will be delivered following completion of the replacement boiler project and associated works. Returning hot water provision and heating services to the school through 3 number state of the art energy efficiency boilers. successfully satisfying the City's drive towards reducing carbon emissions.

## B5. Stakeholders

A stakeholder analysis is set out at G4 below.

## C. ECONOMIC CASE AND OPTIONS APPRAISAL

*This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities*

### C1. Summary of options reviewed at Outline Business Case

*(including reasons for the preferred option which has been developed to FBC)*

*If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.*

- Doing nothing would mean the City Council would fail to meet its statutory obligation to maintain the school and provide a safe, secure and warm environment for the pupils at Gilbertstone Primary School.
- The recommended option is to replace boilers, plant and all associated works at Gilbertstone Primary.

### C2. Evaluation of key risks and issues

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

- Acivico Ltd has advised of a contingency figure of £89,500 which has been allocated to the project to cover unknown issues that may occur during the construction process, such as addressing inflationary concerns and working around a live school environment.
- The risk of cost overruns with the volatile construction environment of increases in materials and labour is being mitigated by a fixed price contract with robust contract management by the Council's technical advisor, Acivico Ltd.
- The risk of asbestos contamination will be managed by Acivico Ltd with support from Birmingham City Laboratories, who will carry out targeted asbestos surveys and safely remove any asbestos that is present prior to the project work progressing. The investigation and removal of asbestos has been factored into the overall project cost and programme. Regular meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track.
- A project risk register will be maintained.

### C3. Other impacts of the preferred option

*Describe other significant impacts, both positive and negative*

- Completion of the replacement of boilers project will ensure pupils are not disrupted from their education needs.

## D. COMMERCIAL CASE

*This considers whether realistic and commercial arrangements for the project can be made*

### D1. Partnership, Joint venture and accountable body working

*Describe how the project will be controlled, managed and delivered if using these arrangements*

Scheme will be delivered by Project Team as follows:

- Client for the project is Birmingham City Council.
- Project Management services is being provided by Acivico Ltd.
- The end-user is Gilbertstone Primary School.
- Regular 2 – 4 weekly meetings will be held with the project team, including client and the end user.
- Programme will be monitored and developed to ensure that required timescales are achieved.
- Scheme costs are to be continually assessed, developed and monitored.

### D2. Procurement implications and Contract Strategy:

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

A mini competition process was undertaken for works from the CWM R&M Framework Agreement – Lot 1 & 2 Contractors. Due to the workload capacity of the Lot 2 Framework contractors and their recent unwillingness to tender, it was decided to offer the opportunity to both Lot 1 & Lot 2 contractors in order to ensure value for money via a competitive tender process. The procurement procedure was administered by Birmingham City Council's Corporate Procurement via the Intend online procurement portal. Please refer to Appendix 2 for Procurement Methodology.

### D3. Staffing and TUPE implications:

None

Capital Costs & Funding	Financial Year	Totals
	2023/24	
<b>Expenditure</b>		
Gilbertstone Primary School		
Replacement costs, incl. Surveys, Investigations, & Statutory Fees and contingency	£336,353	£336,353
Acivico Fees	£27,154	£27,154
EDSI Capitalisation	£10,905	£10,905
<b>Total Project Cost Excluding VAT</b>	<b>£374,412</b>	<b>£374,412</b>
<b>Funding sources</b>		
Schools Condition Allocation (SCA)	£374,412	£374,412
<b>Totals</b>	<b>£374,412</b>	<b>£374,412</b>

## E2. Evaluation and comment on financial implications:

The current costs for the project are based on tendered costs received on Monday, 09 January 2023 A cost check was carried out by Acivico QS to ensure the cost can still be upheld and a revised tender report was issued on Monday, 12 June 2023

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

Contingency of £89,500 has been allocated to this project based on risks and included in the total project cost, if required.

## E4. Taxation

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

N/A

<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>
<i>The summary Project Plan and milestones is attached at G1 below</i>	
Cabinet Member Approval of FBC	<b>TBC</b>
Main Construction works	<b>September 2023</b>
Practical completion (Anticipated)	<b>December 2023</b>
<b>F2. Achievability</b>	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<ul style="list-style-type: none"> <li>• Scope of work identified as in the project description.</li> <li>• Extensive site investigation carried out (including an asbestos survey).</li> <li>• Project programme and costs have been developed.</li> <li>• Funding is in place.</li> <li>• Contractors have considerable previous experience.</li> <li>• Similar projects have been delivered on budget and to time by the project team.</li> </ul>	
<b>F3. Dependencies on other projects or activities</b>	
<ul style="list-style-type: none"> <li>• Landlord approval has been granted for the project.</li> </ul>	
<b>F4. Officer support</b>	
<b>Project Manager:</b>	Baljeet Uppal 07730 281 356 <a href="mailto:Baljeet.Uppal@birmingham.gov.uk">Baljeet.Uppal@birmingham.gov.uk</a>
<b>Project Accountant:</b>	Jaspal Madahar 07766922478 <a href="mailto:jaspal.madahar@birmingham.gov.uk">jaspal.madahar@birmingham.gov.uk</a>
<b>Project Sponsor:</b>	Zahid Mahmood 07860906126 <a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a>
<b>F5. Project Management</b>	
<i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	
See G1	

<b>G. SUPPORTING INFORMATION</b>
<i>(Please adapt or replace the formats as appropriate to the project)</i>
<b>G1. PROJECT PLAN</b>
<i>Detailed Project Plan supporting the key milestones in section F1 above</i>
The project plan will be outlined by Acivico who are operating as the project manager and the chosen contractor prior to the works starting to minimise disruption to the school and to ensure the project is completed within the estimated completion time of 15 weeks.

<b>G2. SUMMARY OF 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 or issue	Mitigation	Severity	Likelihood
Delayed start date due to approval process	Attempts will be made to progress the Cabinet Member report and FBC in time for a start date in September 2023.	High	Medium

## APPENDIX 1

Work costs escalate	The project team will closely monitor the schedule of works and build costs. Cost schedules include contingency sums. Any variations will need to be met through value re-engineering to ensure projected spend remains within overall allocation	Low	Medium
Works fall behind	The project team will closely monitor the scheme 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 the school. Any increase in revenue costs will be offset by an increase in income through increased pupil numbers provided by the DfE.	Low	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)*

N/A

## G4. STAKEHOLDER ANALYSIS

Stakeholder	Stake in project	Potential impact on project	What does the project expect from stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Cabinet Members for ES&C and F&R	Strategic Overview of DGCF expenditure	High	Approval of Cabinet report and expenditure for project.	Strategy not approved	Early Consultation and Regular Briefing on all aspects of Special Provision	BCC / EDI
School's Consultant Partners	Design and Delivery	High	To support delivery and programme management.	Unable to design to budget Unable to deliver to timescales	Close working with other stakeholders Regular feedback	School Leadership Team
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 school's 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 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)*

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

**Other Attachments**

*provide as appropriate*

- Appendix 2 – Procurement Methodology