



DETAILED BUSINESS CASE FOR CAPITAL PROJECTS

All Project Managers need to complete this Detailed Business Case in order for schemes approved in the Council's Capital Programme to proceed.

PROJECT TITLE (as per the published capital programme): Procurement of premises for Central Bedfordshire University Technical College (UTC)

LOCATION OF PROJECT Kingsland Campus, Houghton Regis

PROJECT MANAGER: Rob Parsons, Head of School Organisation & Capital Planning

START DATE: 27th April, 2012

FINISH DATE: Spring 2013 [initial phase late-August, 2012; 3rd phase timings to be confirmed during project design development]

DESCRIPTION OF PROJECT

Briefly explain what the project is:

The project seeks to remodel existing former secondary school buildings at the Kingsland Campus currently in use by Central Bedfordshire College in order to deliver an innovative engineering focussed specialist curriculum for students aged 14 – 19 years. Within a second phase the project will include a small element of single-storey new build located adjacent to the refurbished accommodation.

BENEFITS AND OUTCOMES

Explain how this scheme will support the Council / Services priorities:

- Broadening of choice and diversity of local education provision including the creation of new statutory education, training, higher education pathways and career opportunities for local young people.
- Economic well-being for the sub-region.
- Early opportunity for the Council to engage in a new education initiative in an area which will benefit for improved opportunities for young people.

OPTIONS

Explain what other options were considered, and why the chosen option is preferred:

The site has been selected through submission of an outline application through a national process and the Council has already indicated that it will make the site available. The current users, Central Bedfordshire College, have agreed to vacate and arrangements are being made to suitably relocate some other ancillary users.

IMPLICATIONS OF NOT PROCEEDING

What would be the effect of not doing this scheme?

If the Council does not undertake this procurement it is unlikely the UTC will be able to admit the student intake planned for September 2012.

Given the Council's outline earlier agreement, not proceeding could have political and reputational ramifications.

COST BENEFIT ANALYSIS

How and on what timescales will the projected costs be recouped as savings or benefits?

As set out in the report to the Executive (27/3/2012) the cost-benefit analysis in relation to the capital and revenue expenditure of this legally independent institution is the responsibility of the Department for Education and its agency Partnerships for Schools (to become the Education Funding Agency).

The benefit of the new form of educational institution and its success can only be judged once it is operation and student engagement begins and outcomes are created. The UTC will be subject to the same national inspection regime as all state-maintained learning institutions and its implementation is being closely monitored at a national level.

RISKS

List the likely risks of the scheme and an indication of the probability and impact of each risk. Risks could include reputational, financial, political, or delivery risks.

- a) *delivering phase 1 of the project on time*: design process well under way and progress positive; Willmott Dixon Construction successfully engaged
- b) *timely decant of other users*: process agreed and funding in place
- c) *agreeing a suitable scheme which can be procured within the funding envelope* – the scheme will not pass the PfS feasibility study testing process if this requirement is not met. The initial design and programme are available and the scheme is currently affordable as the scheme has the costing certainty of using the PfS contractor framework
- d) *securing input from embryonic UTC* – a Principal Designate is in place and fully involved in the DUG and his views are vital in influencing the design process outcome
- e) *contingency planning* – features on the risk register and is in place and being reviewed weekly

OTHER COMMENTS

CAPITAL COST OF PROJECT

List here the gross costs, updated from Outline Business Case using detailed estimates or tender prices

The capital costs of the project are predominantly externally funded from government grant. The Council is augmenting the capital resources with just under £400k Section 106 funding for new school places which is already held by the Authority. The Council owns the land at Houghton Regis.



SOURCE OF FUNDING

List here the funding sources, updated from Outline Business Case

	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Specific Government Grant (Specify)		£6.6m			
Lottery / Heritage					
Other sources (specify)					
EXTERNAL FUNDING					
Direct Revenue Financing					
Capital Receipts					
Borrowing *					
CENTRAL BEDS FUNDING		£0.4m			
TOTAL FUNDING		£7.0m			

* Borrowing will be the balance of funding required to fund the project

** In the case of non-cash contributions (e.g. land donation), please show a cash equivalent figure (estimate) in the funding table. Also gross up the capital costs table against the appropriate line (i.e. as if the donation had to be purchased) and provide a brief note in 'Other Comments'.

- The capital allocation from the Government (top row, above) is subject to ratification in early April through a feasibility testing process.
- Some of the budget will be required to fund retentions in the subsequent financial years and the timing of those will depend on the completion date of the second phase new-built element.

REVENUE IMPACT OF PROJECT

List here the incremental year-on-year impact on the revenue budget

The revenue for the recurrent costs of the UTC is the direct responsibility of the Secretary of State for Education.

The Council will lose £111,000 per annum rental income from Central Bedfordshire College when their use decants from the Kingsland Campus; the government require the lease/s to the UTC to be for 125 years at a 'peppercorn' level

COMMENTARY ON REVENUE IMPACT

See above



DETAIL SCHEDULE OF WORK

Outline key works undertaken in the delivery of the scheme.

- Assessment of decant options and impact on contiguous site users (site shared)
- Agreement of viability of procurement route
- Securing of decant commitment/funding in relation to Central Bedfordshire College
- Reviewing and resolving relocation of some other current site users
- Curriculum design translated into rooming requirements
- Initial high-level design produced to test viability
- Discussion about security and safeguarding issues for students and the need to establish a UTC internal boundary, entrance and way-finding
- Programme of phased sectional occupation and subsequent new build established.
- Preliminary work on lease development associated with the production of the UTC Development Agreement.

KEY MILESTONES (DATES)

Feasibility Study:	April, 2012
Business Case/ Appraisal:	April 2012
Detailed Design:	April, 2012
Tenders Sent:	
Contract Approved:	
Project Start:	27/03/2012
Project Complete:	See note above
Final Retention Payment:	See note above

* Please add other key milestones where appropriate

Given the direct procurement route and the use of an EU-procured Framework Design and Build Contract and that the project has processes in place to ensure its costs are met within the approved funding envelope. No tendering is involved as the rates are already set in the EU-procured PfS Framework Agreement.

CONTACT INFORMATION

Please give the name of officer who should be contacted for further information on this capital bid.

Name: Rob Parsons – 0300 300 5572

APPROVAL

I approve the submission of this Detailed Business Case:



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