

STRATEGIC INVESTMENT GROUP

BUSINESS CASE – CAPITAL INVESTMENT

This Business Case provides justification for undertaking a project. The completed form will be reviewed by the Strategic Investment Group who will make a recommendation to Council whether the bid should be approved and included within the Capital Plan. All sections should be completed and evidence of costs will need to be supplied.

For details of Strategic Investment Group meetings and deadlines for the submission of this form, please contact Richard Humphreys, Capital & Technical Finance Team on ext 6144.

Project Name:	Schools Maintenance Grant – Welsh Government
Project Reference:	
Project Manager:	Andrew Ward / James Curran
Workstream:	Property / Education Support

Head of Service/Project Sponsor	Geraint Davies	Lead member:	Cllr Julian Thompson-Hill / Cllr Huw Hilditch-Roberts
Service:	Education and Children's Services	LM Portfolio:	Facilities, Assets & Housing / Education
Form completed by:	Lisa Walchester	Date:	November 2020
Service Accountant:		Date:	

PROJECT TYPE

Please categorise your project type. Mark **one** box only.

SMALL	<input checked="" type="checkbox"/>	MEDIUM	<input type="checkbox"/>	LARGE	<input type="checkbox"/>
-------	-------------------------------------	--------	--------------------------	-------	--------------------------

DECISION SOUGHT FROM SIG:	Approval of outline spending for the Capital Grant received from the Welsh Government.
----------------------------------	--

EXECUTIVE SUMMARY

Highlights the key points in the Business Case to include:-

- what the project will achieve / important benefits
- estimated costs
- how the project will be funded

The Council were notified in January 2020 that they had been awarded an additional £1.487m by the Welsh Government (WG) for School Maintenance works. This money was to be spent by the 31st March 2020 and as per guidance existing works already committed during 2019/2020 were to be allocated against these works.

In 2019 the Council received £1.388m from this same fund from WG. To date £612,729 of this funding has been spent with the rest committed to maintenance projects in various schools- please see Appendix A for details on this.

As with the grant in 2019, the additional £1.487m is funding to assist with the improvement of the school estate and in particular to address issues where additional support is required for the enhancement of facilities. All schools were requested to identify priority areas for support and these are reflected in the proposals. In addition this funding will be used to address the existing maintenance backlog and will complement the funding allocated in the block allocations.

A draft priority list is attached as follows- Appendix B. This will be developed further over the coming months- all costs are currently estimates.

BUSINESS OPTIONS

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something

Option title:		Do nothing – maintain the existing situation			
Please provide brief details:					
<p>The authority could reject the grant offer. This would reduce the capital available for investment in the County's School estate and would not address any issues regarding the backlog of maintenance in schools.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	X
	Costs the same			Takes the same to deliver	
	Costs less	X		Is quicker to deliver	
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	X		Worsens benefits	X

What is the main reason this option has not been selected?					
<p>This option would have no benefits to the local authority.</p>					
Option title:		Include within general Schools Maintenance Budget			
Please provide brief details:					
<p>The option remains to subsume the allocation within the general allocation for schools maintenance. This option could see other funding displaced and no overall impact made on the condition of school buildings. This would also go against the wishes of the Welsh Government who have requested that this funding is used as additionality to general capital works to the school estate.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	X
	Costs the same			Takes the same to deliver	
	Costs less	X		Is quicker to deliver	
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	X		Worsens benefits	X
What is the main reason this option has not been selected?					
<p>This option would not meet the spirit of the grant from the Welsh Government and would not make any additional impact on addressing the backlog of maintenance in the school estate.</p>					

EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project

The use of the £1.487m in the intended form would assist in making improvements to the school estate by addressing existing areas of the maintenance backlog. The Council's approach to the management of the school estate via major works via the 21st Century Schools Programme and through the Maintenance Programme is ensuring investment is targeted in areas of greatest need.

The use of the funding to address other areas of concern in the school estate will also benefit teaching and learning. At present there is no general allocation for refurbishment of areas such as science labs in High Schools and as a consequence the gap between new schools such as Rhyl High and Ysgol Glan Clwyd and schools such as Prestatyn High and Ysgol Brynhyfryd is growing. The use of this funding to address specialist areas not routinely addressed via maintenance works would have a positive impact on teaching and learning.

OTHER (please enter)	
OTHER (please enter)	
TOTAL	

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2020/21	2021/22	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management				
ICT infrastructure and hardware				
Building alterations				
Design Team Fees (architects, QS, etc)				
Furniture				
Other professional support (legal, etc)				
Marketing/Consultation				
External Project Support (gateway review, etc)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
TOTAL				

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2020/21	2021/22	Future Years	TOTAL
TOTAL					

NOTE: For funding status, please only use the following categories:

- **Approved** – written approval for the funding exists
- **Applied** – no written approval exists but an application has been made
- **Approached** – initial approach to or by funding body has been made but no application submitted
- **None** – no contact or approach has been made to or by the funding body

CAPITAL COSTS – CONSTRUCTION PROJECTS

COMPLETE ALL THREE TABLES BELOW FOR CONSTRUCTION PROJECTS
LEAVE BLANK/DELETE SECTION FOR BUSINESS DEVELOPMENT PROJECTS

The capital cost of a project is an important consideration in terms of whether or not it should proceed.

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department.
- Any costs that relate to construction should have been provided by Design & Development or Building Services.

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Feasibility (surveys, market research, etc)	
Client side project management	
OTHER (please enter)	
OTHER (please enter)	
TOTAL	

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2020/21	2021/22	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management				
Land/property acquisition				
Land preparation/remediation				
Demolition and/or site security				
Construction, refurbishment or maintenance	600,000	600,000	287,000	1,487,000
BREEAM rating of "Excellent"				
Security measures (CCTV, door entry, etc)				
Fire prevention measures (sprinklers, etc)				
External landscaping and other works				
Land/property acquisition				
Highways work				
ICT infrastructure and hardware				
Fixtures & fittings				
Furniture				
Planning/Building Regulation Costs				
Design Team Fees (architects, QS, etc)				
Legal Costs and Fees				
Marketing/Consultation				
External Project Support (eg gateway review)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
TOTAL	600,000	600,000	287,000	1,487,000

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2020/21	2021/22	Future Years	TOTAL
Welsh Government School Maintenance Grant	Awarded	600,000	600,000	287,000	1,487,000
TOTAL		600,000	600,000	287,000	1,487,000

REVENUE COST IMPACT

TO BE COMPLETED FOR ALL PROJECTS

In considering whether a project should be developed due regard should be made to the potential impact on revenue budgets.

If the activity will result in a requirement for additional revenue funding, please provide details below:			
What is the impact of this project in terms of the <u>annual</u> revenue requirement for:	Existing Revenue Budget	Post-project Revenue Budget	Increase/Decrease
staff costs (salaries and associated)			
energy costs (heating, lighting, ICT, etc)			
property maintenance and servicing costs			
other property related costs (rental, insurance, etc)			
ongoing ICT costs (licences, etc)			
mileage of Denbighshire fleet vehicles			
mileage for business travel by Denbighshire employees using their personal vehicles			
OTHER (please enter)			
OTHER (please enter)			
OVERALL REVENUE REQUIREMENT			

Please provide brief details of the revenue impact of this project:

- Where revenue savings are forecast, you should detail what is proposed for the saving (e.g. reduction of an existing revenue budget, re-allocation of revenue to alternative services area, etc)
- Where revenue increases are forecast, you should provide details of how the revenue shortfall will be addressed. In this instance you should also append a three year surplus/deficit forecast.

- *Details of any one-off revenue cost requirements that may be required post-project implementation (e.g. recruitment, redundancies, etc). DO NOT include any costs detailed in the capital section of this Business Case*

There are no identified revenue costs at this stage. By staggering the work across financial years this will reduce the pressure on the maintenance team and eliminate the requirement for additional staff to be employed to manage the additional spend.

PROJECT MANAGEMENT

Please provide details of proposed project management – Establishment of Project Board etc

The project will be managed through the Building Maintenance team. The programme of works will consist of numerous projects, with the vast majority being categorised as small / minor works. Each project will be procured in accordance with the current CPR's, procurement strategy and industry best practice.

A Surveyor / Technician from the Design, Construction and Maintenance team will be allocated as project officer, who will be responsible for the delivery of each project on time, within budget and to the required specification.

Regular meetings will be held with Education Managers to monitor the spend and amend the programme to ensure the contingency element is fully spent.

STATUTORY REQUIREMENTS / HEALTH & SAFETY

This section should identify how the activity will help Denbighshire meet any of its statutory requirements. Please include any Health & Safety Issues that the activity will address in this section. Please leave blank if not applicable.

The project will help meet the Health and Safety at Work etc. Act 1974, Management of Health and Safety at Work Regulations 1999, Workplace (Health, Safety and Welfare) Regulations 1992, Provision and Use of Work Equipment Regulations 1998, Occupiers Liability Act 1957 and 1984, Equalities Act 2010, DDA 1995, HSE Approved Codes of Practice, British Standards including BS 4163:2007, Health and Safety Guidance Note GS23 (Electrical Safety in Schools), Control of Asbestos Regulations 2006.

Meet the requirements of the Education Building Bulletins, Education (School Premises Regulations) 1999, Department for Education Regulations and Design Notes, etc.

The project will help meet the Regulatory Reform (Fire Safety) Order 2005

CARBON MANAGEMENT IMPACT

Please consult with Denbighshire's Principal Energy Manager before completing this section.

Denbighshire has committed to reducing its carbon emissions by 15% by 2020. The Business Case requires you to make a forecast for the anticipated carbon emissions impact of the project. Please mark a cross in the appropriate box.

Forecasts:	Annual (current)	Carbon Equivalent	Annual (Post Project)	Carbon Equivalent	Carbon Variance
Energy consumption: (UNIT = kWh)					
Mileage of Denbighshire Fleet vehicles: (UNIT = miles travelled)					
Tonnes of waste produced going to landfill: (UNIT = tonnes)					
Tonnes of waste produced being recycled: (UNIT = tonnes)					
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)					
TOTAL CARBON EMISSIONS					

Please provide brief details of the carbon impact of this project, and detail specific actions that will be taken to reduce carbon emissions. If carbon emissions are expected to increase as a result of this project, please provide details of proposed actions to compensate for this increase in other areas of the Service's activity.

BIODIVERSITY IMPACT

Please consult with Denbighshire's Biodiversity Officer before completing this section:

joel.walley@denbighshire.gov.uk

The Council has a statutory duty to ensure compliance and enforcement of the habitats regulations (as amended in 2007) and the NERC Biodiversity Duty (2006). At this pre-feasibility stage, what is the anticipated impact on biodiversity of the project. Please mark a cross in the appropriate box.

Will this project impact on a habitat that supports living organisms (plant or animal)?	Yes		No	x
--	------------	--	-----------	---

If you have answered yes to the above question, please complete all the following biodiversity sections. If answered no please leave blank

THREATENED/PROTECTED SPECIES Will this project impact on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP)?	Yes		No	x
---	------------	--	-----------	---

ALL SPECIES (including threatened/protected) Forecasts:	Current number	Post-project number	Variance (+/-)
Number of plant species present:			
Number of animal species present:			
TOTAL NUMBER OF SPECIES PRESENT			

Please provide brief details of the action you will be taking in association with this project to protect or enhance biodiversity. Specific reference should be made to the mitigation strategy if the project impacts on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP).

It is anticipated that the projects will have little impact on biodiversity. However, there is a possibility that bats and/or nesting birds such as swallows and house martins may be affected by some of the works. As these species are legally protected, measures will be taken to minimise any disturbance and mitigate if necessary, by following best practice and guidance, if any are found whilst project works are being carried out which could disturb them.

Where there is the potential for this to occur then any bat and bird surveys will be undertaken if necessary and consultation will take place with the County Ecologist or the County Biodiversity Officer about specifics.

MAJOR RISKS TO THE PROJECT

A summary of the key risks associated with the project together with the likely impact and plans should they occur (*Please also add to your project risk register*)

Key Risk	Likely Impact	Mitigating Action
Unforeseen essential maintenance requirements	Loss of service delivery. Potential prosecution/fines/reputational damage	Dynamic re-prioritisation of works; Closure of buildings/part closure; Relocation of essential service provision
Lack of resources to deliver maintenance programme	Failure to deliver maintenance programme and spend allocation	Employ agency/temporary contract staff to deliver projects

SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

Appendix A- Works undertaken
 Appendix B- List of works
 Letter from Welsh Government

ANNUAL CAPITAL BIDS – BLOCK ALLOCATIONS

Please provide details of expenditure and commitments for allocations received in the current financial year.

COUNTY LANDLORD STATEMENT

Please provide a statement from the County Landlord and where applicable the recommendation of the Asset Management Group

The proposals are supported. The additional funding supplements the Council's capital allocations and allows enhancement work over & above the essential H&S works currently being addressed through the block allocations. Alignment of projects from both allocations maximises the benefit of both funding streams.

Supplied by: **David Lorey**

Date: **13/11/2020**

CHIEF FINANCE OFFICER STATEMENT

It is welcome that the additional funding will be used on schemes that are aligned and compliment the essential H&S works currently being addressed through the block allocations. The proposals are supported and will ensure that grant funding is maximised and used to fund priority areas that had already been identified.

Supplied by: **Steve Gadd**

Date: **20 Nov 20**

VERIFICATION:

Project Manager:			
Project Sponsor:			
Name:		Position:	
Signature:	<i>Insert electronic signature</i>	Date:	

For use by Finance:

Result of S.I.G. Review	
--------------------------------	--

Date of Meeting	
Approval	
Code	