

## Business Case

**Project Title:**  
**Expansion of Nethergate Academy**

**Lead Department: Children and Adults**



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## DOCUMENT CONTROL

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<b>Date</b>	27/06/19
<b>Document ID</b>	Final V0.10

Version	Status	Revision Date	Summary of Changes	Sign-Off
0.1	Draft		First Draft	CB
0.2	Draft	01/5/19	SW amendments (tracked)	SJW
0.3	Draft	07/5/19	CB updates	CB
0.4	Draft	13/5/19	SW amendments (tracked)	SJW
0.5	Draft	14/5/19	SW amendments (tracked)	SJW
0.6	Draft	14/5/19	CB updates	CB
0.7	Draft	16/5/19	SW amendments (tracked)	SJW
0.8	Draft	14/06/19	Following PAG recommendations	CB
0.9	Draft	24/06/19	SJW amendments (tracked)	SJW
0.10	Final	27/06/19	Final	CB

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## 1.0 PURPOSE OF DOCUMENT

This document sets out the business case for expanding Nethergate Academy, a special school in the Clifton area of Nottingham. The proposal is to expand the school by 48 places by building a new Autistic Spectrum Disorder (ASD) unit on the site. The expansion is required for September 2020.

## 2.0 EXECUTIVE SUMMARY

Nottingham City Council has a statutory duty to provide a sufficient number of places in schools to meet local need, including provision for children and young adults with additional needs. Following extensive consultation, the City Council has published a Special Education Needs and Disability (SEND) strategy that sets out the principles for SEND provision across the City for the next five years<sup>1</sup>. The development of this strategy involved looking at the type and number of places required and reviewing options for increasing provision at existing SEND schools in order to meet a growing demand for places and identifying priority areas. Initially, three priorities were identified and phased over a three year programme, subject to further review, approvals and individual business cases.

The first priority identified from this strategy is an expansion of Autistic Spectrum Disorder (ASD) provision at Nethergate Academy, increasing the number of places at the school by 48 places.

## 3.0 STRATEGIC FIT

### 3.1 Strategic overview

The City has taken a long term approach providing sufficient school places by ensuring that where places are required, the expansion of schools facilitates future growth as well as immediate need. A programme to expand primary school places has recently completed and data shows that the level of need for primary places has now reached a plateau, with only small pockets of need across the City. The focus is now on reviewing the demand for places for both the Special Educational Needs and Disability (SEND) and Secondary schools across the City.

This Business Case sets out the case for investment in the expansion of Nethergate Academy to provide an additional 48 places for children and young people with Autistic Spectrum Disorder (ASD). A review of the SEND provision in the City and analysis of the demand indicates there is an urgent need for additional provision, particularly for children and young people with Autistic Spectrum Disorder (ASD).

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<sup>1</sup> <https://www.nottinghamCity.gov.uk/earlyyears/equality-and-inclusion/nottingham-city-send-strategic-priorities-2018-2023/>

### 3.2 Links to Strategic Objectives

The Council Plan sets out the key objectives of the Council and guides investment made by the Council. The current plan is being refreshed and the objectives of both the existing Council Plan and the new Labour Manifesto (which is now a Council Policy, adopted in May 2019), are referenced below to show how this project meets strategic objectives.

**Ensuring every child in Nottingham is taught in a school judged good or outstanding<sup>2, 3</sup>:** One of the five key objectives of the Council Plan setting out the Council's strategic objectives is to ensure that every child in Nottingham is taught in a school that is judged good or outstanding by Ofsted. Nottingham City is fortunate that a number of special schools meet this standard. A review was undertaken to establish the best location for any additional provision based on a number of factors: one of the key aspects of delivering education for children with SEND is the location of the provision as this impacts on the travel and revenue costs. A number of options were considered and looked at holistically, considering not only location, but also the ability of the school to cope with an expansion and how this might affect the culture and curriculum at the school. An options appraisal was undertaken looking at a small number of schools who might be able to accommodate an expansion for ASD pupils. The preferred solution following this review was to expand Nethergate Academy.

The expansion of Nethergate Academy meets the requirement to expand good or outstanding schools and meets the requirements of the Special Education Needs and Disability (SEND) strategy that sets out the principles for SEND provision: one of the objectives of the strategy is to address the projected shortfall of ASD provision by creating sufficient places across all needs and settings across the City.

**Reduce permanent exclusions by 50% and campaign against permanent exclusions and 'off-rolling' to make sure every Nottingham child is in school:<sup>3</sup>**

The expansion of Nethergate ensures that sufficient and appropriate places are available in the City for children with a variety of needs. It is recognised that there are an increasing number of children and young people with complex needs and that some of these require a higher level of specialist support. The manifesto document also outlines the ambition to support children with SEND in mainstream schools. This project will provide places for those children who need a higher level of support and this should limit the risk of these children being excluded by not having the appropriate level of support. This project also forms part of a wider SEND strategy that will address the needs of all children with SEND needs, supporting them to stay in mainstream schools where possible.

**Become the first carbon neutral City by 2028:<sup>3</sup>** The project is currently at an early stage of design and as yet, the measures that will support this are yet to be fully articulated, although this forms a key part of the project brief. During design

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<sup>2</sup><https://www.nottinghaminsight.org.uk/research-areas/nottingham-key-strategies/>

<sup>3</sup>[https://gallery.mailchimp.com/295de99618a1c9bea7a3083ab/files/5f80113b-2baa-4212-9a31-6faf7bc28e9a/FINAL\\_Full\\_A4\\_Manifesto\\_2019\\_6\\_.pdf](https://gallery.mailchimp.com/295de99618a1c9bea7a3083ab/files/5f80113b-2baa-4212-9a31-6faf7bc28e9a/FINAL_Full_A4_Manifesto_2019_6_.pdf)

development, the project will clarify how to limit carbon emissions to support this objective. For example, the mechanical and electrical design will review environmentally sympathetic systems to heat the building and other sustainable features will be considered, where budget permits.

As travel is a key factor for children attending special schools, it is acknowledged that the increase in the number of children and young people attending Nethergate Academy could lead to an increase in transport provided. Nethergate Academy is being expanded to meet local need and this option should therefore require less travel than other options, however, the full extent of the travel requirements are yet to be established. There are two aspects to this. First that the travel requirements form part of the operational aspects of the project and will be reviewed by the SEND team at the Council, alongside a wider review of current fleet usage intended to optimise the existing level of transport as far as is possible. Secondly, the design development requires Nethergate Academy to develop a school travel plan that formally sets out the approach that the school will take to managing how children, young people and staff travel to the school. The school already works proactively with children and young people to help them develop independence to walk to school or travel by public transport and this will be formally captured in the school travel plan as part of the design development process. This will support a reduction in the carbon footprint and the growth of skills and confidence of the children and young people.

**Reduce childhood obesity by 10%<sup>3</sup>:** This project will support the reduction of childhood obesity in two ways. Children and young people will have access to more specialist support around healthy eating by attending Nethergate Academy. This is important as many children and young people with ASD have restrictive diets and, depending on their circumstances, can be at risk of obesity. The design process will also consider how the external environment can be developed to support children and young people with ASD. A hall space has been developed with a higher ceiling that allows for trampolining activities. This is one of the key activities that helps manage ASD and the school are keen for this to be included as part of the brief. Promoting physical activity will help support the ambition to reduce childhood obesity.

## 4.0 PROJECT INFORMATION AND BUSINESS CASE

### 4.1 Options appraisal

Nottingham City Council considered a range of options before making the decision to develop additional provision at Nethergate Academy.

In the first instance, another special school in the City was considered as they already operate an outstanding ASD provision. This option was not taken forward as:

- The school site is very tight and there was insufficient space to develop provision on site. The school were unable to free up space within the school to expand as this would have limited the range of curriculum available to current students and would still have offered only an addition 10 places.

- The vehicular access for home to school transport is very tight. There are already significant pressures on this through the number of vehicles accessing the site and expanding this would have brought additional pressures and potential health and safety risks.

A review of a second school was then undertaken. This school is a Private Finance Initiative (PFI) school and a feasibility study previously identified that there was potential to expand the school on the existing site. However, as this is a PFI school, it is not just capital investment required but revenue to support the ongoing lifecycle and maintenance costs that form part of the PFI agreement, as well as legal costs associated with altering contractual documentation. Discussions were undertaken to establish whether this was a viable option and it was agreed that Nethergate was more financially viable at this point.

The City Council has a number of other options for delivering the required place and could consider commissioning independent placements for this group of young people from independent providers or out of City schools. The average cost of these placements ranges between £48,000 per annum to more than £60,000. The comparative cost for a placement at Nethergate Academy is half of this and on this basis the preference was to provide places in a City school. The commercial case for Nethergate is set out in section 6.1 below, outlining the comparative costs of in-house against externally commissioned provision to demonstrate the relative costs.

## 4.2 SEND funding allocations

### **Capital funding**

The Council submitted a strategy to the Education and Skills Funding Agency setting out how the need for SEND would be met across the City for the next three years. This resulted in the allocation of capital funding to meet this need. The Council was initially allocated £1,258,974, split over three financial years. An additional funding allocation of £292,785 was confirmed in May 2018 and a further £585,569 in December 2018.

This means a total of £2,137,328 capital funding has been allocated towards special education provision for Nottingham City. The feasibility study has identified that this is insufficient to deliver the accommodation required for a new ASD unit at Nethergate Academy and other funding streams have been utilised to ensure sufficient funding is in place. This is set out in section 7.2 below.

The Council is required to report on how this funding is being spent in a report published on the SEND strategy website. This is monitored by the Education and Skills Funding Agency.

### **Revenue funding**

One of the key drivers for the project is based on the need to prevent the Council spending significant sums of money commissioning places from external providers and to manage revenue spending as far as possible. In selecting Nethergate as an option,

modelling has been undertaken to ensure that the revenue funding available is sufficient to meet the financial demands of this increased provision.

#### **4.3 Background information on Nethergate Academy**

Nethergate Academy is a special school providing education for pupils with Autistic Spectrum Disorder (ASD) and Moderate Learning Difficulties (MLD) to pupils of the ages 5 – 19. The school is part of the Greenwood Academies Trust and is located in the Clifton district of Nottingham, around 4 miles from the City Centre.

The school is designated as a mixed school with around 118 pupils on roll, split into distinct phases based on age:

- Primary: 3 classes
- Key Stage 3: 3 classes
- Key Stage 4: 3 classes
- Sixth Form: 3 classes

The Ofsted inspection in 2018 rated the school as ‘outstanding’, noting the executive principal’s “strong vision and determination for continual improvement”. The report also refers to the welcoming nature of the school and the respect that pupils show towards the building, as well as identifying the use of the ‘hub’ to encourage reflection on behaviour. The school believes that all pupils have a common entitlement to a broad and balanced academic and social curriculum, which is accessible to them. The report noted the school ethos where pupils have the right to be fully included in all aspects of school life enabling them to meet their full potential and develop as positive confident individuals.

The Ofsted report highlights that school strives to ensure that all pupils are equipped with the skills, attitudes and knowledge that they will need for their future. They believe in celebrating and recognising achievement at every opportunity. Good behaviour and positive self-image are promoted and pupils are supported and encouraged to become effective communicators. At Nethergate there is a strong commitment to providing an appropriate and high quality education to all the pupils in their care. School are determined to raise the aspirations of and expectations for all pupils with SEND.

This project intends to build upon and enhance the positive reputation and performance of the school and ensure that children and young people benefit from the skills and expertise of staff in an appropriate setting for their needs.

#### **4.4 Phasing of the project**

In February 2019 a report was presented to the Portfolio Holder for schools to seek approval for minor works to the existing school. The works were needed to create immediate places for a small cohort of students (known as phase 1). The report also sought approval to commence a feasibility study into the expansion of the school (known as phase 2).

Phase 1 works included making minor amendments to an existing room at the school to make the room suitable for the admission of a cohort of eight, four around Easter and four in September 2019. Works were also carried out to the external area immediately outside this room, including a new hard surface play area plus a link path to the main school. The students use the path to travel to the main building when necessary and at lunch times. These works are now complete and four new children joined the school after Easter.

For phase 2, the new building is required by the start of school term in September 2020. The feasibility study for phase 2 has been completed and the outcome of this is included in section 4.6 below.

## **4.5 Project approach**

### **Managing scope and quality**

The project scope will be managed in a school specific brief prepared collaboratively with the school and a number of technical documents produced by Design Services, in line with the requirements of the ESFA standards and guidelines, City Council standards and all relevant requirements. The quality of design will be managed by Design Services throughout. Major Projects will act as the Client Project Manager on behalf of the school, responsible for controlling the scope and delivery of the project within the timescales and budget available. All decisions about the project scope and budget will be directed through Major Projects.

### **Rationale for design and building method**

One of the key considerations in delivering this project is the impact on education whilst construction takes place. The preferred design and building method has been selected to ensure that the school can continue to operate effectively, taking into consideration the location of a new build, car park and transport needs as well as the provision of suitable external space.

### **Consultation and engagement**

A consultation meeting has taken place with local residents and Councillors to establish if there is support for the proposal to expand and if there are any concerns. There is a clear need to address parking issues in the neighbourhood as part of the project and establish a close relationship with both Councillors and residents to ensure that the project does not negatively impact on the neighbourhood. Further consultation events and engagement sessions will be held to support this ongoing discussion.

### **Project management**

The project will be managed in line with Association of Project Management (APM) principles using standard documentation developed by the Major Projects team. The Project Manager will be responsible for ensuring that key project documentation is developed and kept up to date to ensure the project is managed effectively, and lead the project team to ensure the project progresses in line with key milestones and the parameters set. The Project Manager will be supported by a Programme Manager who will have oversight of the project and be able to support where issues and risks are

identified. The project approach will be formalised in a Project Management Plan and the project is subject to a number of reporting and review requirements that provide assurance that the project is well managed and offers value for money.

#### 4.6 Phase 2 scope

As phase 1 is now complete, this business case sets out the options and scope for phase 2 of the project. The development of a feasibility study facilitated a discussion with the school and stakeholders to establish what was needed in order to build an effective ASD unit on the Nethergate Academy site.

The outcome of this was focused on the number and type of spaces required rather than developing a formal layout. This identified the following spaces:

- six classrooms
- a therapy room
- a studio hall
- two practical areas, for learning life skills and as flexible space
- group rooms and small rooms to support learning
- storage
- minimal circulation space
- sufficient toilets
- additional car parking spaces for staff
- appropriate external spaces for play and learning

This forms the basis of the scope of the project and is captured in the school specific brief as well as the feasibility study.

One of the other factors considered was that concerns have been raised by residents and local Councillors about the impact of additional staff on parking in the roads around the school. An allocation of budget will be made to account for measures to try and mitigate this, working in partnership with the local Councillors. Residents have been reassured that most children are transported to the school using minibuses or use public transport and there is agreement that whilst the minibuses sometimes cause issues, the main concern is staff parking off site. It is anticipated that the school will be required to develop a school travel plan as part of the planning conditions and set out how the school will manage this in the long term.

**Site Plan outlining the scope of the works:**

The image below shows the proposed layout of the building and its location adjacent to the existing school building:



Various locations for the new building and a number of different building shapes were considered as part of the feasibility study. This is the preferred solution.

The school have indicated that the building should look and feel like part of the existing estate. Design Services have developed initial images that indicate how the building might look:



The image below shows an indicative layout of the building. This will be developed during the design process and is likely to change:



### Overview of preferred design

Following discussions with the school, it was agreed to try and locate the building as close to the main school building as possible to limit the issues with moving children between buildings and to reinforce a whole school approach. The design is simple to ensure it is cost efficient to construct but still meets the needs of the school. The premise is that there are pairs of classes for 6 – 8 children, with a group room and toilet facilities between them. Specialist spaces run in a linear arrangement opposite the main classroom spaces, allowing close access to facilities and minimising the need for circulation space. A hall has been included to allow for physical activities that support the learning needs of these children and a therapy room will allow for more intensive support when required. The room shown as ‘food tech’ will be a practical space that allows for the teaching of life skills and the other practical space can be used flexibly for music, art or other curricula activities, depending on the needs of children and allowing for changes in the curriculum or approach of the school over time.

Two entrances have been included that support the movement of children into the school at peak times and a play area to the rear of the new build links directly to class spaces. The position of the building means that most of the children will be at the back of the building and are less likely to be distracted by movement in the car park or the rest of the school site. Additional parking and consideration of the flow of traffic into and out of the site has also been developed.

### **Furniture, fittings and equipment**

This project does not include for the fit out of furniture, IT or the installation of fixed play equipment to the school. This is viewed as revenue funding and the school will be supported to secure additional funding for this. There are no plans to undertake works at other areas in the school other than those already undertaken in Phase 1.

## **4.7 Constraints**

### **Programme**

- The new unit is required for September 2020 to accommodate an additional 48 children. This is the main driver for the programme of works.
- Building works will be carried out whilst the school is in operation and will be managed carefully to limit any negative impact on the school. The construction process offers an opportunity to engage some pupils in the construction which could be a positive outcome of the project and this will form part of the contract. The works will be phased and programmed accordingly to minimise disruption on site and there will be clear and robust demarcation between the construction site and the school.

### **Legal/regulations**

- The academy requires formal approval from the Education and Skills Funding Agency (ESFA) before it can increase the Pupil Admission Number (PAN). Part of this process requires undertaking a formal consultation process. This business case is submitted on the assumption that this approval is successful. The formal consultation for this process is underway.
- The school is an academy with a lease from Nottingham City Council, the landowner. Agreements will need to be put into place to reflect this relationship and any amendments to the lease. This is not anticipated to be an issue and discussions are underway to arrange for this process to happen.
- As the Council is investing in the academy estate, an agreement will be put into place to ensure that the building is used for the provision of ASD places. This agreement will ensure that the school receives appropriate funding and commit the school to providing the required number of ASD places for the City Council.
- Nottingham City Council will enter into contract and commission the works. In order to protect the academy, collateral warranties and the contract will be novated across the academy once the contract is complete.

### **Operational**

- Phase 2 construction works will be delivered during term time. With this in mind,

the project team will ensure that a robust management plan is agreed between the school and contractor to ensure that the site will function as normal and safely. This is helped by the fact that the new building will be located away from the main school and the preferred construction method, although there may be an impact on parking whilst the work is completed. Any change or impact to the day to day running of the site that may affect the school will be discussed in advanced with the school. The use of a modular solution will ensure that any potential disruptive impact on the operation of the school is limited.

- There are concerns about the impact of the construction on residents around Swansdowne Drive. The contractor will be required to demonstrate in their construction management plan how they will manage the construction process to limit the impact on residents and the school.
- It should be noted that the school may not require all the places by this time and that they may choose to phase the new intake of children, depending on the resources and funding they have available. Even taking this into account, it would be cost prohibitive and inefficient to try and phase the delivery of this unit. The agreed approach is to deliver the new ASD unit as a whole building, limiting the ongoing disruption for the school.

### **Financial**

- The project scope and delivery is dependent on securing funding that exceeds the allocation set aside from the ESFA. Whilst savings on other expansions allows an allocation of Basic Need grant to be reallocated towards the project, other funding sources are yet to be formally approved, included within this business case and report.
- The fit out and staffing of the unit is dependent on revenue funding being secured from the Dedicated Schools Grant (DSG) reserves. Schools forum will need to be consulted on this.
- The premise of the Business Case is that investing in this facility will prevent an increase in revenue expenditure for the SEND team by not having to source more expensive places from external providers. However, the success of the project depends on sufficient revenue resources being allocated to support the facility at Nethergate. An assessment of these requirements has already been undertaken and presents an increase in revenue costs that is acceptable.

## **4.8 Dependencies**

There are a number of project dependencies:

- **Consultation:** At the time of writing this business case the Greenwood Academy Trust are going through the statutory procedure to consult on the expansion of the school. The expansion is dependent on a formal agreement by the ESFA

allowing the expansion to proceed. The date for this is yet to be confirmed and not under the control of either the academy or the Council. It is anticipated that this will be in place by September 2019 at the latest.

- **Land ownership:** The project is dependent on Nottingham City Council and the academy agreeing the process for building on the land, lease amendments and the conditions of the new build.
- **Planning:** The project is dependent on planning permission being granted by Nottingham City Council. Early discussions with the Planning team have suggested that issues may be raised by local residents with regard to parking on Swansdowne Drive. The project team will need to ensure that measures to alleviate any further impact on Swansdowne Drive are put in place and an early consultation meeting has already been held with residents and local Councillors. The additional parking spaces that are part of the scope will hopefully assist in reassuring citizens. There are also a number of trees that are due to be removed and these will be subject to a survey and review by the Planning Authority.

#### 4.9 Key Risks

The key risks identified with the project are:

Risk Number	Risk Description	Likelihood Rating	Impact Rating	RAG Rating	Risk Response
1	Consultation on the expansion of the school is not successful.	Unlikely	Major		The expansion of the school aligns directly with the required outputs of the SEND strategy. Consultation has taken place with key stakeholders and politicians who support the expansion. If the outcome of the consultation with stakeholders is negative, the academy may still seek approval from the ESFA to proceed. If the ESFA do not approve the expansion, the project will be stopped. The academy have already entered into dialogue with the ESFA to ensure the risk of this occurring and this is minimal as there is a national strategy to support the increase of SEND places and this funding is specifically to address this.
2	Land ownership and lease arrangements prove to be complex and challenging	Unlikely	Moderate		The Academy Trust and NCC have an established relationship and have previous experience of this process when the school initially became an academy. Existing documents that have previously been negotiated are already drafted. Going forward NCC will continue to build on this positive relationship to drive forward the legal agreements and to collaboratively discuss and resolve any issues that may arise.
3	Transport and parking issues impact on the Planning approval process	Possible	Moderate		The project scope will include additional car parking spaces at school which will hopefully mitigate any further impact and reassure citizens who live on Swansdowne Drive. All allocation of funding will be set aside to support the implementation of measures agreed with local councillors representing local residents.
4	Insufficient funds to deliver the project	Possible	Moderate		Indicative costs have been received and both reviewed and challenged in order to ensure that a robust budget is set. A contingency amount has been allocated to allow for any future events or circumstances that may not be accounted for. There is the potential to reduce the scope of the project or ask the academy to support by funding specific aspects of the project.
5	Day to day operational management of the school is negatively impacted	Unlikely	Moderate		The project team and contractor will work closely with school to ensure that day to day school operations are not impacted negatively and that the school environment remains safe. The school specific brief will form part of the contract documents and will stipulate that the contractor has a responsibility to manage the construction site effectively, with guidance from the school to understand what impact activities could have on school operations.
6	The ASD unit is delivered late	Possible	Moderate		The SEND team will be kept up to date with project progress and any risk of slippage will be highlighted at an early stage so that plans can be made to manage any children who may be affected by a delay in the building being completed. A programme will be developed with the contractor and the milestones shared with key stakeholders. The intention is to complete the project during August, giving some flexibility to allow for any slippage in delivery.

## 4.10 Benefits

The benefits of this project are:

Benefit	Measure	How it will be assessed	Strategic fit	Timescale	Owner
Provide additional ASD places in an Outstanding school	48 additional places available and filled in the new ASD unit	Ofsted will measure the performance of the school. The agreement with the academy will secure the places. The SEND team will monitor the number of children attending the school.	One of five key objectives within the Council Plan – every child in Nottingham to be taught in a school judged good or outstanding by Ofsted	Some additional places available by September 2020, however it may take time to fill these places. To assess the number of children who use this facility over a period of five years (to September 2025).	Janine Walker, Head of SEND and Vulnerable Pupils.
Providing additional ASD places to meet the demand across the City and mitigate the costs of providing this support out of the City	48 additional places available and filled in the new ASD unit. Reduction or limit of number of children with ASD who have to be educated out of the City.	Monitor the number of children with ASD who have a place that is suitable for their needs. Monitor how many children with ASD that have to access support out of the City.	Delivery of the SEND strategy. Meeting the requirements of the funding criteria. Meeting the statutory requirements of the Council to provide places for children	Some additional places available by September 2020, however it may take time to fill these places. To assess the number of children who use this facility over a period of five years (to September 2025).	Janine Walker, Head of SEND and Vulnerable Pupils.
Support the Council's ambition to become a carbon neutral city by 2028	Measurement of carbon emissions from the new building.	During the design process, the engineers will be asked to calculate the predicted carbon emissions.	Manifesto commitment to reduce carbon emissions.	The new building will complete by September 2020 but is not likely to be fully operational until 2024. The assessment should predict emissions based on a full occupancy	Janine Walker, Head of SEND and Vulnerable Pupils.
Support the reduction in childhood obesity by 10%	Health statistics collated by partner organisations	Baseline statistics for this year and undertake a comparison in 2024.	Manifesto commitment to reduce childhood obesity.	Partner agencies monitor health statistics on an annual basis and there should be an improvement in the wellbeing of children by 2024.	Janine Walker, Head of SEND and Vulnerable Pupils.
Reduce permanent exclusions by 50% and campaign against permanent exclusions and 'off-rolling' to make sure every Nottingham child is in school	Statistics on exclusions	Baseline exclusions for 2019 and compare to exclusions in 2024 to track improvement. Note that this forms one of number of strategies to reduce exclusions and may not be uniquely identifiable.	Manifesto commitment to reduce permanent exclusions	The City Council monitor exclusions on an annual basis and can track trends over time. This can be reviewed on an annual basis as more children are placed at Nethergate Academy	Janine Walker, Head of SEND and Vulnerable Adults.

## 5.0 OPTION APPRAISAL (Economic Case)

### 5.1 SEND programme of expansion

The City Council is undertaking a programme of works to ensure sufficient places are available that meet the needs of children across the City, delivering the SEND strategy. An expansion of Westbury Academy in the Raleigh Trust in another area of the City was recently completed, providing additional places for children with Social, Emotional and Behavioural Disorders (SEBD).

One of the strategic objectives is to increase the number of places available in good or outstanding schools. Nethergate Academy meets this objective and is in an area of need. The school site easily facilitates an expansion and the academy Trust and school are supportive of an expansion.

Further expansions and initiatives are being developed and the distribution of these across the City is assessed by the SEND team based on patterns of need and the implications on transport costs.

### 5.2 Project scope

A detailed options appraisal has been undertaken and is captured within the feasibility study document, available on request. At the outset, options focussed on massing across the site, looking at how a building should be co-located to meet the needs of the school. Seven options were put forward and a number discounted due to the complexity of the design. One proposal included an external corridor that connected classroom spaces to specialist spaces and this was discounted due to the issues with transition between spaces this would create.

Two preferred options were taken forward for further development, one that included an 'L' shaped design and a simpler block design. This helped to confirm the need for a feel of transition by age from one end of the building to the other and the need for a couple of entrances to help separate children of different ages, if required.

The feasibility study then considers the spaces required by the school, in consultation with specialists within the Council. The connection between these spaces was considered allowing a high level plan to be developed showing indicative floor areas for each room and how they linked together. A number of iterations of this were developed based on feedback.

The ESFA issues guidelines on the areas that should be included in SEND and alternative provision, known as BB104:

<https://www.gov.uk/government/publications/send-and-alternative-provision-area-guidelines>

This guidance was used to undertake an assessment to establish how the needs of the school compared to this guidance, taking into consideration the high level of needs the children and young people attending the school would have and the fact that this was intended to be a 'standalone' building. This initial assessment suggested that a much smaller building would be required. Further conversations with the school were held and a smaller building developed on the following principles:

- Minimum sized classrooms (44m<sup>2</sup>) as the school felt this best suited their needs and the needs of children with ASD. This allowed for compromise over other specialist spaces that would otherwise have not been included. The number of classrooms required was reduced from seven to six.
- A studio hall space. Initially, the intention was to allow children to dine in the main school building, however, the significant needs of these children meant that a space would be required that could facilitate sports activities, particularly using a trampoline which has been shown to be effective in supporting ASD children. In order to accommodate, the space is required to be at least 1.5 storeys high, like a traditional hall. Whilst this was initially designed as a more general practical space, the school and specialists have confirmed that a hall is a requirement to meet the needs of these children. An additional practical space was omitted to allow for this adjustment.
- A therapy room to support the developmental needs of the pupils which provides a space for visiting professionals to provide services for the pupils
- One of the options had a greater allowance for circulation space and a third entrance. In order to make the build as cost efficient, the simplest block shape was selected, reducing the amount of circulation space and omitting the third entrance.
- Classrooms are located to the rear of the building and adjacent to play areas, allowing direct access outdoors, whilst minimising the potential for disruption that the rooms at the front of the building might allow.

The quality of the build will be critical to the success of the building and this may mean an increase in standard build costs. For example, the acoustic separation between group and class spaces needs to be sufficient to cope with the potential for an increased level of noise in area that does not bleed into another. Walls should be robust to withstand any potential damage and the quality of floor materials should take into consideration the need for more activities to take place on the floor than may otherwise happen in a standard learning space. The project team will develop this detail in the next stage.

### 5.3 Construction and procurement approach

#### **Construction**

The project team have given careful consideration to both traditional and off site construction methods. An evaluation of these comparative routes has been undertaken and advantages and disadvantages have been highlighted for both. Whilst the costs are comparatively similar for the construction works there may be a saving to be made on preliminaries as there is a significant reduction in the construction time on site for modular build.

A reduction in time on site is an extremely influential factor for this project due to the particular needs of the existing pupils on the school site and the need to limit disruption as a much as possible for children, staff and local residents. An offsite solution will reduce the amount of time noisy works are on site and mitigate the impact on school.

Whilst there will be an element of groundworks that have to take place the project team will review where it is possible to carry some of these works out during school holiday time in an attempt to reduce the disruption to school.

Offsite construction also has the benefit of minimising the risk impact of extreme weather conditions that might detrimentally affect the construction programme with traditional build.

### **Quality**

Defining and assuring how quality standards can be met has been an important part of the decision process. The project team have met with contractors who specialise in offsite construction and have discussed how the required quality standards can be achieved. Modern methods of construction are the preferred construction method by the ESFA and the City Council will use information published by the ESFA to ensure the quality of the building. Quality will also form part of the criteria for assessing tender bids. The City Council already has an output specification, known as the Authority's Requirements, which will form part of the tender package. This will be used to ensure that the building delivers the same performance outputs as traditional construction method. Quality during design and construction will be managed by the City Council's Design Services team who will act as the Employer's Agent/ Technical Advisor. This will ensure that the quality of the building meets the needs of the Academy and the City Council.

### **Procurement**

A number of options were considered for procuring this project. The City Council has historically procured using a variety of frameworks, testing both a traditional and design and build contract route. Having opted for an offsite construction method, it is beneficial to allow the contractor to take responsibility for the design to ensure this is cost effective and therefore the design has been made that this project becomes a Design and Build project at RIBA Stage 3.

The project team considered the options of carrying out a mini competition through an Off-site construction framework or to follow an open tender route. In order to facilitate this decision the team researched and then met with a number of different companies. Following on from these meetings the team looked at the advantages and disadvantages of both options.

Below is a comparison of the positives and negatives of using both routes to market:

**Comparison of Framework and Traditional Tender Benefits, Risks and Issues:**

	Framework		Traditional Tender	
	Benefits	Risks or Issues	Benefits	Risks or Issues
<b>Complaint Procurement/ financial regulations</b>	Compliant route to market in line with public regulations. Already in place, so no risk.	Often attracts large and national suppliers, may not be suitable for this size of project	Compliant route to market in line with public regulations assuming proper process is followed	Risk of lack of interest if not attractive to the market. Contractors may dispute contract award and lead to delays.
<b>Social Value</b>	Already procured in line with public regulations. Benefits often agreed to align with strategic objectives of partners. Monitored as part of the framework	Unable to amend social value and other targets included, although 'local' additions can be made if agreed.	Can specify as part of tender in line with strategic objectives. More control and options.	Requires local monitoring to ensure these are delivered. Difficult to penalise if the contractor does not comply.
<b>Supply Chain management</b>	Predetermined supplier list, building strong working relationships and required to engage with local companies and Small to Medium Enterprises (SMEs). Should help quality and improve communications and benefit local people.	Can create barriers to new companies entering the market	Potential to attract a wider supplier base, including new entrants, local companies or Small to Medium Enterprises (SMEs) and benefit local people.	Risk if the supply chain are not familiar with the working methods of the lead contractor in terms of quality, time and cost.
<b>Terms and conditions/ flexibility of contract</b>	Predetermined terms and conditions, no need for time to negotiate and therefore should be quicker to enter into contract	Lack of flexibility for those entering into contract and if one party insists on changes, can lead to issues. Sometimes set rates have already been agreed and must be paid as part of the contract, even if not applicable to a particular project.	Contract tailored to meet individual requirements, may be more suitable for smaller projects.	Contract preparation may be lengthier, extending time frame required. Able to set your own award criteria including price/ quality ratios.
<b>Cost and fees</b>	Predetermined rates, should give cost certainty at an early stage and give comfort of value for money. Most projects delivered for contract sum.	Adds another 'layer' of fees to the project. When frameworks are set up, bidders will may have built in a 'risk premium' for the uncertainty of receiving work which may reduce value for money	Should limit fees on the project and give value for money based on what is happening in the market place.	Dependent on market activity and may increase costs/ rates. More risk for the Council in relation to quality, to provide detailed and accurate specifications in order to ensure cost certainty.
<b>Timescale</b>	Reduced timescale for procuring works.	Reopening a competition can be as onerous as running your own tender, requiring documents to be checked, depending on contractual route.	More control over timescale as this is not predetermined by a framework.	Takes longer to procure through a traditional tender process and more work required by the Quantity Surveyor and Design Team.
<b>Additional benefits</b>	Early engagement with the contractor to advise on 'buildability' should help minimise risk and ensure the appropriate solution is found at an early stage. Free feasibility offered by some frameworks to help give a clearer understanding of cost at the outset Strong reputation for delivering large scale and complex projects, proving valuing for money.	Frameworks are generic, rather than project specific when they are set up, so there may be a supplier who would have been better placed to provide the solution to the requirement.	Can agree the design and delivery process with the contractor depending on the needs of the project. Not driven by the needs of the framework. May be more appropriate for smaller scale projects.	Does not allow for early engagement with a contractor that might help manage risk and give greater cost certainty at an early stage.

Taking all of the above into consideration, and bearing in mind the relatively small scale of this project, the decision has been made to procure using the traditional tender route. The City Council will enter into contract with the successful contractor using the NEC form of contract. This form of contract is favoured as it is a structured contract that encourages collaborative working between the two parties and gives more cost certainty to the client. This contractual route, used alongside a formal construction programme and milestones assists the management of progress through the duration of the contract. The design of the project up to and including RIBA Stage 3 will be developed by Design Services and then the design will be novated to the successful contractor.

## **6.0 COMMERCIAL ASPECTS (Financial Case)**

If this project did not proceed, the rising need for ASD places in the City would put pressure on mainstream schools and could mean that the City needs to purchase ASD places from other providers. The only providers available to deliver these places are independent and non-maintained schools. The cost of an ASD placement in a local non-maintained ASD school costs £48,000 per place compared to the cost of £21,215 in a maintained special school in the City. Costs for 48 placed at a non-maintained provision would amount to £2,304,000 per annum compared to £1,018,320 in a maintained school. When the school is full, the capital build costs will be recouped within a two year period through the significant difference in revenue costs. Whilst a sum of capital is required initially, this mitigates the need for significant revenue costs in future years. This makes efficient use of the SEND capital allocation received by the Council from the ESFA.

The revenue funding for this project will be provided from the Higher Level Needs (HLN) budget. Following the development of the SEND Strategy, the Council has reviewed the HLN budget to ensure this is being spent effectively and targeted towards areas of need in the future, as well as managing the existing pressures. The revenue implications of this decision will be met by the Dedicated Schools Grant funded High Needs (HN) budget. The revenue funding required for the additional places needed by September 2019 has been budgeted for in the 2019/20 Schools Budget Report which went to Executive Board for approval on 19 February. The additional places that can be accommodated under Phase 2 will be gradually phased in and the revenue funding required will be met from anticipated increases in the Council's HN budget under the HN national funding formula.

## 7.0 AFFORDABILITY (Financial case)

### 7.1 Estimated project budget

The scheme is presently in the early design phase and therefore costs are indicative at this stage. It is anticipated that this work will cost £2.412 million. An overview of the project budget (both phases) at this stage is provided below.

<b>Nethergate Academy Expansion – overview of project budget</b>	
<b>Phase 1 costs:</b>	
Phase 1 construction final cost, including fees and surveys	£127,707
<b>Phase 2 costs:</b>	
Building works (including direct costs and contingency)	£1,851,389
Fees (excluding mechanical and electrical fees)	£122,965
Contingency	£137,267
Risk allocation	£173,000
<u>Phase 2 subtotal:</u>	<u>£2,284,621</u>
<b>Overall total for Phase 1 and Phase 2</b>	<b>£ 2,412,328</b>

It is acknowledged that the funding available to the City Council is very limited. Within the indicative cost allowances have been made for client risk contingency and an indicative amount for inflation. If the costs from the successful contractor are returned and over the indicative costs it will be the project manager's responsibility to carry out a value engineering exercise in conjunction with the project sponsor and the academy.

### 7.2 Funding and approvals

For the Phase 1 works and the feasibility stage for Phase 2, approval was secured for £250,000 of funding through a Delegated Decision report (DDM 3404) in September 2019. Part of this funding has been spent on Phase 1 and the remainder will be used to fund Phase 2, including fees and surveys as set out in the approval.

This business case is an appendix to the approval being sought to deliver the scheme. As the value of the project is over £1,000,000 the report needs to be presented to Executive Board. The report will be presented in July 2019 and will include several recommendations that allows the project to proceed, within a set of defined parameters.

The funding will be a combination of SEND capital allocation, Accessibility funding and Basic Need grant.

<b>Nethergate Academy Expansion – overview of proposed budget</b>	
<b>Overall budget required:</b>	
Phase 1 and Phase 2 costs	£ 2,412,328

<b>Funding sources and amount:</b>	
SEND capital allocation	£2,137,328
Accessibility funding from the 2019/20 programme	£50,000
Accessibility funding from 2020/21 programme	£50,000
Basic Need grant (savings from other projects)	£175,000
<b>Overall funding total</b>	<b>£ 2,412,328</b>
Funding already allocated from SEND capital allocation	£250,000
<b>Funding approval sought to deliver Phase 2 (including savings from previous approval)</b>	<b>£2,162,328</b>

It should be noted that there has already been £250,000 allocated from the SEND capital allocation and therefore this Business Case seeks approval for the remaining £2,162,328 only.

### Financial risk

There is a risk to this funding approach in that the funding for the accessibility programme in 2020/21 is yet to be confirmed and the approval for the 2019/20 is imminent. If this funding is not received, the funding could be taken from the 2020/21 Basic Need grant. The likelihood of this is minimal.

The grant funding received from the ESFA is subject to ongoing and monitoring and there is a slight risk that if this funding is not invested in delivering the SEND strategy that this funding might be clawed back. This is highly unlikely as this project forms a key part of the strategy that has been agreed with the ESFA.

### Revenue funding

The academy will need to receive revenue funding to cover staffing costs and furniture and fit out. All special schools receive £10,000 per pupil place plus additional top up funding per pupil. At the time of writing this report the top up value for these pupils is still to be confirmed as part of a wider review of funding. The staffing costs for the new unit will be covered by this stream of funding.

The school will be encouraged to request revenue funding to support the fit out of the building to make it fit for purpose. It is estimated that the cost of this approximately £48,000, based on an estimated allocation of £8,000 per classroom with six classes. The school are required to request this allocation of funding from the Dedicated Schools' Grant (DSG) via the Nottingham City School's forum. This will not form part of the project budget and will be allocated directly to the school to procure any furniture, fittings and equipment required for the building at their discretion. This will be procured in line with the academies financial procedures to ensure value for money.

## 8.0 ACHIEVABILITY (Project Management case)

The project will be delivered by Major Projects on behalf of the Head of SEND and Vulnerable Children. The Major Projects team have considerable experience in delivering school projects and specifically SEND projects, and already have a strong working relationship with the school and the Greenwood Academy Trust.

A project management plan (internal document) is being developed and will be kept live throughout the various stages of the project. The plan defines the project and explains the journey the project will take and how it will be managed. Reference is made to the supporting documents necessary to ensure the project is managed effectively and efficiently and how quality will be assured. The project management plan sits alongside this business case and has clear interdependencies.

### 8.1 Delivery team

#### **Internal resources:**

The project will be managed by a Project Manager reporting to a Programme Manager within Major Projects. Major Projects are responsible for delivering all of the significant projects within the City Council and all projects are subject to a number of project assurance measures to ensure a high standard of project delivery. The project will be delivered in conjunction with Design Services who will act as the technical lead. Design Services will act as the Principal Designer to ensure the Council fulfils Construction and Design Management (CDM) requirements until the end of RIBA Stage 3. Design Services will provide support to manage the quality of the design during the development and delivery of the project. An Employer's Agent/ Technical Advisor will be appointed to monitor design quality and an inspections team will be appointed to manage quality onsite.

#### **External resources:**

The main contractor who is appointed to deliver the works will also be appointed as the Principal Contractor and Principal Designer under the CDM requirements. The contractor will be responsible for all aspects of design, including structural, mechanical and electrical and will need to ensure that the design complies with the Authority's Requirements documents and any additional requirements set out by the City Council during the procurement process.

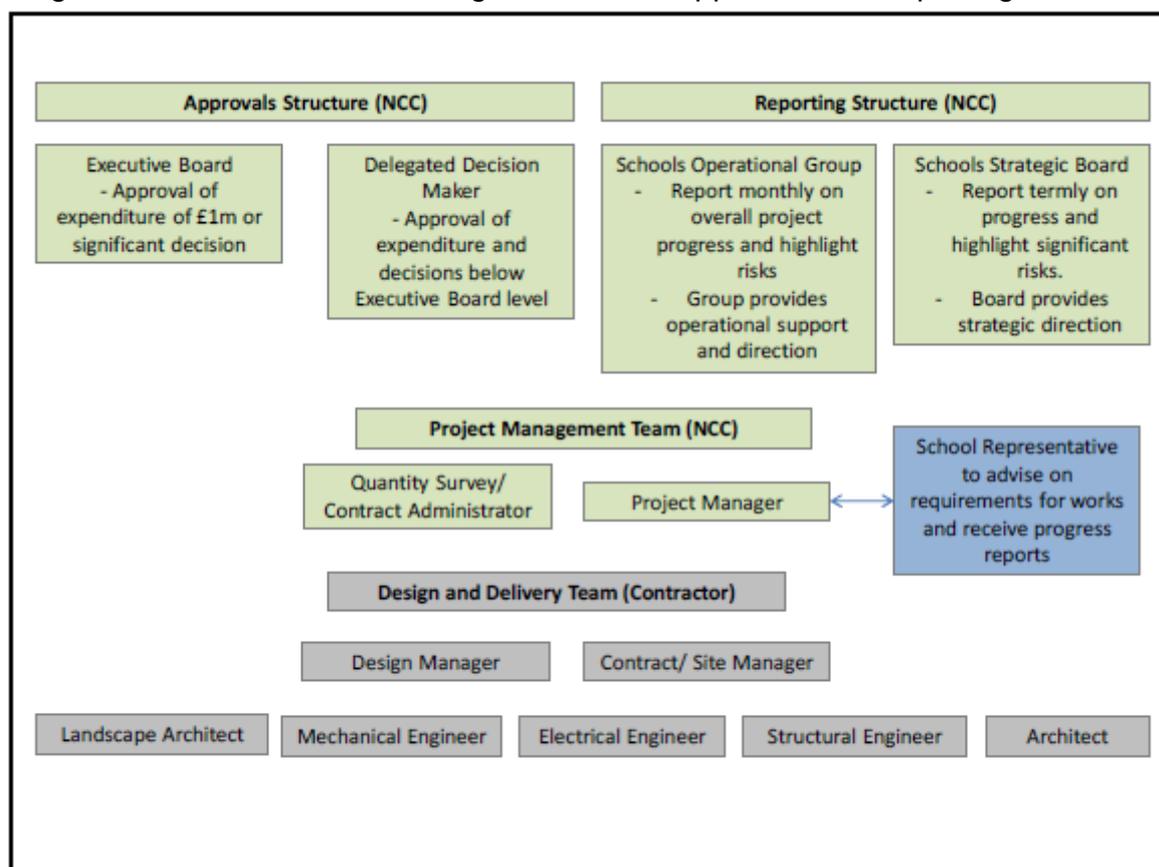
## 8.2 Programme

The key milestones of the project will be confirmed with the contractor. Indicative dates are shown below:

Milestone	Estimated date
School sign off preferred option	May 2019
Submit Planning application Consultation for expansion commences	June 2019
Report approved by Executive Board	July 2019
RIBA 3 design/ tender documentation preparation	July/August 2019
Planning approval, tender issued Consultation for expansion complete. ESFA approval received.	August 2019
Tender complete and reviewed, contract in place	October 2019
Design developed and finalised, sign off. Legal documents in place.	January 2020
Construction off site commences	February 2020
Construction works start on site (groundworks)	March 2020
Off site buildings delivered to site	May 2020
Completion on site	August 2020

## 8.3 Governance

The governance structure for education projects is currently being reviewed. The diagram below shows the existing structure for approvals and reporting.



Major Projects act as the Project Management Team, taking the role of the Client Project Manager on behalf of the Sponsor, Janine Walker, Head of SEND and Vulnerable Pupils. The day to day reporting of the project in this instance is directly with the Sponsor.

A formal project update report is issued to the Schools Operational Group who meet on a monthly basis to monitor and review school projects. Currently, new projects are not subject to 'approval' by this group, although this is being reviewed. The Schools Strategic Board has effectively been replaced by regular meetings with the Portfolio Holder and Corporate Director, allowing more flexibility to meet the timescales required for approvals and to allow an ongoing engagement with key stakeholders to keep them updated on potential projects, new projects and existing project progress.

Through the early design stage design team meetings have been held where the focus has been to update on design, programme and cost. These meetings will continue through to completion. In conjunction with this Design Services complete monthly monitoring reports which are submitted and discussed at the Major Projects/Design Services collaboration meetings.

The Major Projects project manager meets fortnightly with the programme manager to provide a formal update. Any urgent matters outside of this reporting structure are raised on an ad hoc basis as and when necessary. Any issues or risks that are likely to affect the scope or progress of the project are reported to the project sponsor through regular update meetings or emails, depending on the situation. Formal reporting is completed by way of a monthly monitoring report to the Project Management Office.

Major Projects liaised regularly with the project sponsor to both update and provide a steer where necessary.

All significant projects delivered by the City Council are reviewed by the NCC Project Assurance Group (PAG). This is a formal gate review which seeks to transparently review the project to ensure that Nottingham City Council are confident that scope, time, cost, quality are being achieved and the objectives and benefits for the stakeholders and citizens of Nottingham will be met. This project has been subject to a review and the business case updated to reflect the feedback received.

More detail about the governance of the project and how stakeholders are managed is included in the Project Management Plan, managed by the Project Manager.