



APPENDIX A3.2

SEND SUFFICIENCY & CAPITAL PROPOSALS

PROJECT RAINBOW PHASE 3

FINANCIAL BUSINESS CASE

1. Project delivery costs

Full project delivery, including D&B, (budget costs) = £3,047,876.

2. Cost avoidance

A) Costs to provide facilities at INM setting - £85,000^{*1} per head per year (minimum).

- For 14 places, annual costs to provide facilities at INM setting = £1,190,000.
- For 10 year period, 2020-2030, costs = £11,900,000.

B) Costs to provide facilities at CoBC = £34,000^{*2} per head per year.

- Annual costs to provide 14-bed spaces at Project Rainbow Phase 3 = £476,000.
- If approval is provided in September 2020, the new building may be completed by September 2022. For the 8-years of operation from 2022-2030, projected pupil costs = £3,808,000.

^{*1} Commissioning costs as advised by SEND Business Unit, Education, Learning & Skills.

^{*2} Commissioning costs as advised by the City of Bristol College (CoBC).

If the project is delivered, the total expenditure for 2020 to 2030:

Capital costs	= £3,047,876
2-years in INM settings	= £2,380,000
8-years at Project Rainbow Phase 3	= £3,808,000
Total	= £9,235,876

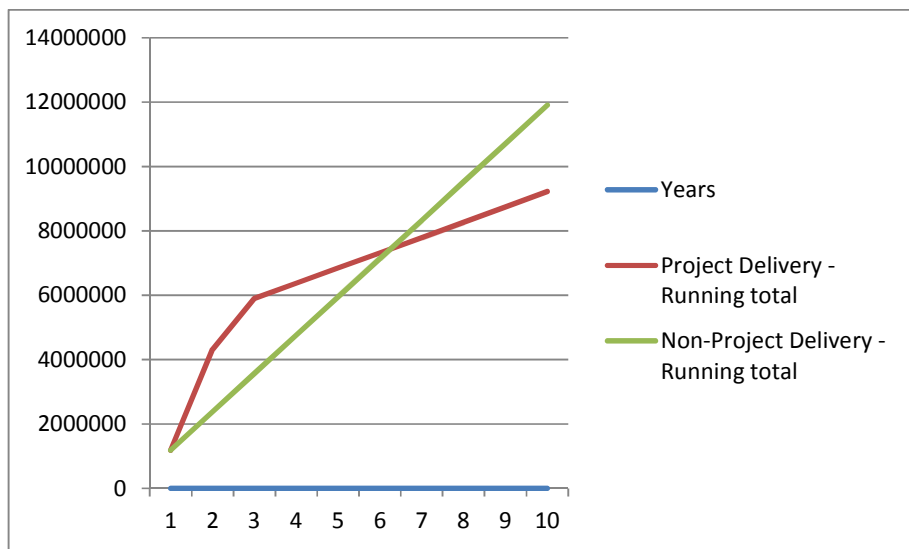
If the project is not delivered, the total expenditure for 2020 to 2030:

10-years in INM setting = **£11,900,000**

The **cost avoidance** is **circa £2.66m** over the 10-year period from 2020 to 2030.

3. Payback

The projected payback is around 6-7 years, beyond which an annual cost avoidance of circa £714k would be realised.



Notes:

- A Funding Agreement will be in place with the CoBC to provide a service for an agreed cost, as a condition of the offer. Costs could change through negotiation.
- All costs are based on 2020 prices only with no allowance for inflation.

Education Capital Team

31st July 2020