



PROJECT BUSINESS CASE

Project Number:

Project Title: Structural works 2011/12

Release (Draft/Final)	Draft
Version Number	1
Date	01/04/2011
Project Manager	K. Meredith
Project Sponsor	G. Miller
Directorate	Neighbourhoods
Division	Decent Homes

The appropriate approval must be obtained before for the Business Case is registered on SharePoint. Please refer to the Gateway Approval process for Gold, Silver & Bronze projects

Project Type	B
Approved by	

1. OUTLINE PROJECT PROPOSAL

1.1. Background

For the background to why we are doing this project, please see the Outline Project Proposal.

To enable essential structural works identified in the previous years survey report to be carried out, and permit surveys to be commenced to other blocks in 2010/11.

Blocks receiving works = Canberra Towers, Castle Hse, Redbridge & Millbrook Towers. There are also 102 medium rise blocks in the Maybush, Shirley and Lordshill areas of the city (The works element to the medium rise blocks can range from a minor repair preventing later frost damage - 50mm diameter "spoiling" to medium size works which are more intrusive). All works are to be co-ordinated with Decent Neighbourhoods proposed works.

Blocks to be surveyed = Albion Towers, Shirley Towers, Sturminster House and Millbank House. There are also surveys to 91 medium rise blocks in the Millbrook, Harefield and Swaythling areas of the city.

1.2. Update to Outline Project Proposal

Confirm project start and end dates below and highlight any changes since the Outline Project Proposal was agreed.

Project Start Date: 04/04/2011

Project End Date: 30/03/2012

2. OPTIONS APPRAISAL

2.1. Options Investigated

Option Description	Benefits	Costs	Risks
Do Nothing	None	None	Buildings will become unfit for occupation, risk of collapse.
Works as described	Buildings will remain fit for occupation and future repairs cost will remain low	£400,000 including fees	As outlined in OPP
Survey all blocks every year instead of a cyclical 5 year programme	None	£2,000,000 including fees	Budget requirement will affect other projects. This programme of works would not be any more beneficial as the current level/standard

			is satisfactory.

Complete the above or attach an option appraisal template.

2.2. Recommended Option

Explain the recommended Option and make clear the level of confidence (e.g. Pessimistic, Optimistic or Realistic) in the estimates to enable a balanced decision on benefits versus costs and risks. The following sections of the Business Case will be based on the recommended option. If there is significant doubt about which option will be selected, the Option Appraisal should be sent for approval prior to completing the Business Case.

Recommend option 2 be adopted as this is approved by BS8210 as the agreed timescales for an inspection programme.

3. PROJECT OBJECTIVES AND MEASURES

3.1. Objectives

What does the project aim to achieve and/or deliver?

Achievement of the project objectives will be used to assess project Quality at G5.

Ensure that all homes/dwellings are structurally sound and fit for occupation

3.2. Service / Business Benefits

Who will benefit and how?

Tenants/residents both now and in the future by SCC ensuring that all homes/dwellings are structurally sound and fit for occupation

3.3. Estimated Cashable benefits

If applicable, list any cashable savings and state the period over which they will be delivered. Obtain verification from Corporate Finance that the savings are achievable and attach the verification as an Appendix to this document.

3.4. *Quality Measures

Baseline performance level (at project start date): 04/04/2011

Performance target/s (at project end date): 30/03/2012

The measures will be used to assess project Quality at project closure.

4. PROJECT KEY DRIVER

Is it more important that the project is delivered within the set Timescale, Cost or Quality? For an Olympic project the timescale would be critical so, for example, the weightings could be Time 50%, Quality 30%, Budget 20%.

The weightings will be used to assess project success at Gateway 5. In the Olympic example above, if the project was delivered on Time and to the Quality specified but was significantly over budget, overall, the project would be considered a success due to the relatively low weighting for Budget.

Criteria	Weighted % score
	If all 3 criteria are of equal importance, score each 33%
TIME (see section 1.2 above)	33
COST (see Appendix 5.1 below)	33
QUALITY (see section 3.4 above)	33

4.1. Risk Quantification and Sensitivity Analysis

Please complete the table below with the known risks to this project or attach a Risk, Assumptions, Issues, Dependencies (RAID) log:

Risk	Risk Owner	Probability	Impact on project (H/M/L)	Timing	Mitigation
Long spells of inclement weather	SCC & Capita	Low	Low	Winter	Programme the works so external works are in summer
Contractor enters Administration	SCC & Capita	Low	Med	Throughout	Exemption sought for procurement .

5. APPENDICES

5.1. Project Costs

Please complete 'Project Costs' below. This must be attached as an Appendix to the Business Case.

5.2. Initial Impact Assessment

Please attach Quick Initial Impact Assessment.

<http://intranet.southampton.gov.uk/highlights/campaigns/IIA.asp#0>

APPENDIX 5.1 – PROJECT COSTS

5.2.1 Capital costs

The total one-off capital costs for the project, including Capita costs, external spend and any internal business costs eg: backfill

£000s	Year 1	Year 2	Year 3	Subsequent years total	Total
Project Capital Costs					
Asset costs					
Capita,	100,000				100,000
contractors	300,000				300,000
Internal SCC business fees					
Total capital costs	400,000				400,000

5.2.2 Revenue costs

The total revenue (ongoing) costs for any assets (eg: hardware and software), maintenance charges, support etc

N/A

£000s	Year 1	Year 2	Year 3	Subsequent years total	Total
Project Revenue Costs					
Asset costs					
External fees (eg Capita, other partners or contractors)					
Internal SCC business fees					
Total revenue costs					

5.2.3 Project Resources

The total number of days required for the project by Council staff, Capita, other partners or contractors. This section is particularly important to complete when no budget is allocated to the project.

Days	Year 1	Year 2	Year 3	Subsequent years total	Total
Resource Days					
SCC staff – see example below:					
▪ <i>Legal</i>	5 days				5 days
▪ <i>Finance</i>	15 days				15 days
▪ <i>Asset management</i>	40 days				40 days
▪					
▪					
Capita, contractors	150 days 150 days				150 days 150 days
Total Resources Days	360 days				360 days

5.2.4 Contingency

Consider adding contingency funds. By default, 10% of the total project cost should be added.

N/A

	£	Reason
Project Cost		
Add contingency		<i>Insert reason if more than 10%</i>
TOTAL PROJECT COST		

Bronze projects:

*The Business Case should be updated for Bronze projects at Gateway 3 and a Project Plan attached.
A detailed Impact Assessment may also be required:*

<http://intranet.southampton.gov.uk/highlights/campaigns/IIA.asp#0>