



## PROJECT BUSINESS CASE

**Project Number:**

**Project Title: Supported Housing – Neptune Ct (Central Core) Communal Area Refurbishment**

|                       |                |
|-----------------------|----------------|
| Release (Draft/Final) | Draft          |
| Version Number        | 1              |
| Date                  | 11/11/2010     |
| Project Manager       | Julie Richards |
| Project Sponsor       | Geoff 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  | Bryn Shorey |

## 1. OUTLINE PROJECT PROPOSAL

### 1.1. Background

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

To refurbish the communal central core area, to both blocks, following the current lift project. Provision of new ceilings, lighting, flooring redecoration and new wood grained individual front doors. All as per specification developed on Manston Ct as part of the SHAP programme

### 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: 31/03/2012*

## 2. OPTIONS APPRAISAL

### 2.1. Options Investigated

| Option Description                  | Benefits  | Costs                   | Risks  |
|-------------------------------------|---|-------------------------|--|
| To include 'Do nothing' option      |   |                         |  |
| Do Nothing                          | None  | None                    | Buildings will appear old and "tired" tenants not moving in. |
| Refurbish as described              | Blocks will be energy efficient & welcoming                   | £120,000 including fees | As described in OPP  |
| Total Refurbishment and remodelling | Provision of 2 bed properties and all dwellings DDA compliant | £2.0M+                  | Capital investment too high for actual demand                |

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 as this is a realistic approach and the identical works recently completed at Milner Crt have transformed the blocks with residents delighted with the results

### 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.*

*Refurbished communal areas*

#### 3.2. Service / Business Benefits

*Who will benefit and how?*

*Tenants, Residents and visitors both now and in future years*

#### 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.*

*Energy saving lighting will decrease the landlord electrical cost year on year*

#### 3.4. \*Quality Measures

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

*Performance target/s (at project end date): 31/03/2012*

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

*Total refurbishment of core areas*

### 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  |
|---------------------------------------|---------------------------|-------------|---------------------------|------------|---|
| Funding refused                       | Asset Management          | Very Low    | High                      | Early      | Report back to SHAP board                         |
| Tenders higher than PTE               | Capita                    | Low         | Medium                    | Early      | Report back to SHAP board                         |
| Contractor enters into Administration | Capita / Asset Management | Low         | High                      | Throughout | Appoint another contractor or use DLO to complete |
|                                       |                           |             |                           |            |   |
|                                       |                           |             |                           |            |   |

## **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   |
|--|---------|--------|--------|------------------------|---------|
| <b>Project Capital Costs</b>                             |         |        |        |                        |         |
| Asset costs  | 0       | 0      | 0      | 0                      | 0       |
| External fees (eg Capita, other partners or contractors) | 16.836  | 0      | 0      | 0                      | 16.836  |
|  | 103.164 |        |        |                        | 103.164 |
| Internal SCC business fees                               | 0       | 0      | 0      | 0                      | 0       |
| <b>Total capital costs</b>                               | 120     | 0      | 0      | 0                      | 120     |

### 5.2.2 Revenue costs

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

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

Building is already maintained so no additional cost expected

### 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         |
|---------------------------------------|---------------|--------|--------|------------------------|---------------|
| <b>Resource Days</b>                  |               |        |        |                        |               |
| SCC staff – see example below:        |               |        |        |                        |               |
| ▪ <i>Legal</i>                        | <i>4days</i>  |        |        |                        | <i>4days</i>  |
| ▪ <i>IT Client</i>                    | <i>0 days</i> |        |        |                        | <i>0 days</i> |
| ▪ <i>Asset Management</i>             | <i>10</i>     |        |        |                        | <i>10</i>     |
| ▪                                     |               |        |        |                        |               |
| ▪                                     |               |        |        |                        |               |
| Capita, other partners or contractors | 30            |        |        |                        | 30            |
|                                       | 30            |        |        |                        | 30            |
| <b>Total Resources Days</b>           | 74            |        |        |                        | 74            |

### 5.2.4 Contingency

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

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

**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>