



PROJECT BUSINESS CASE

Project Number:

Project Title: Heating system upgrades 2011/12

Release (Draft/Final)	Draft
Version Number	1
Date	24/03/2011
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

There are a number of homes where in previous years tenants had refused any form of installation, but since the tenancy has changed the new tenants are requesting that heating be installed. Also works to improve existing heating systems are to be continued working in conjunction with the term servicing/repairs team. The funding will allow partial systems to be upgraded to full central heating when the existing boiler has reached the “end of its life” and due to be replaced. Works already commenced to houses which currently have electric “credanet” systems being converted to gas central heating shall continue and be jointly funded utilising the CERT/CESP opportunities.

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: 30/03/2011

2. OPTIONS APPRAISAL

2.1. Options Investigated

Option Description	Benefits	Costs	Risks
Do Nothing	None	None	Properties will be cold and damp therefore hard to let.
Carryout works as described	Homes will be warm and meet the Decent Homes requirements	£350,000 including fees	As detailed in the OPP
Replace boilers ahead of serviceable end date	Heating systems will be modern, efficient and reliable	£1,000,000 including fees	Current budget restraints would mean that another important project would have

Complete the above or attach an option appraisal template.

2.2. Recommended Option

Asset Management recommend Option 2 – this will allow tenants to benefit from full central heating. New controls, valves, radiators etc will be more efficient in reducing

energy levels required to heat the property. Comply with Decent Homes Standards and requirements

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.

Tenants shall benefit from full central heating. New controls, valves, radiators etc will be more efficient in reducing energy levels required to heat the property. Comply with Decent Homes Standards and requirements

3.2. Service / Business Benefits

Who will benefit and how?

Tenants and visitors both now in the future shall benefit from low energy usage central heating systems.

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): 30/03/2011

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

4. PROJECT KEY DRIVER

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
Tenant refusal	SCC	Low	Low	throughout	Carryout when next void
Funding expires before completion	SCC	Low	High	Throughout	Ensuring agreed programme of works is adhered too.
Mass boiler failure during cold spell	SCC	Low	Low	Throughout	Temp heaters installed, divert repairs to assist.

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,	40,000				40,000
contractors	110,000				110,000
Internal SCC business fees	200,000				200,000
Total capital costs	350,000				350,000

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>	10 days				10 days
▪ <i>Asset management</i>	50				50
▪ <i>Finance</i>	18				18
▪ <i>PMS</i>	300				300
▪					
Capita, other partners or contractors	50				50
Total Resources Days	428				428

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>