



## PROJECT BUSINESS CASE

**Project Number:**

**Project Title: Energy Saving 2011/12**

Release (Draft/Final)	Draft
Version Number	1
Date	28/03/2011
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

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

Carryout insulation projects across the city where properties currently have either no existing cavity wall/ loft insulation or where the existing is insufficient. (Utilising external funding where possible CERTS / CESP).

Replace un-economical /inefficient boilers for new condensing type.

Also pilot the installation of LED lighting to all communal areas of Shirley Towers, monitor electricity usage over a 6 -12 periods and compare to 2 “sister” blocks.

### 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	Properties would be difficult and expensive to heat.
Works as described	Modern heating systems, homes well insulated to retain heat, economical systems	£200,000 including fees	As outlined in OPP
Refurbish whole property at time of cladding	Property would be completely refurbished and not require any future works for at least 15 years	£2,000,000 including fees	Budgetary constraints other important programmes across the city would have to be cancelled

Complete the above or attach an option appraisal template.

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## 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 will enable tenants to live in well insulated economical homes as well as contributing to reducing the council's carbon footprint. The new lighting schemes should also contribute to saving on utility bills for communal areas as well as repairs.

### 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.*

Provide warm homes that are economical to heat as well as reducing cost to light communal areas.

#### 3.2. Service / Business Benefits

*Who will benefit and how?*

*Tenants and residents both now and in the future, this will be achieved by reducing energy cost and providing warm homes.*

#### 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)	40
COST (see Appendix 5.1 below)	30
QUALITY (see section 3.4 above)	30



#### 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 void
Severe inclement weather	SCC & Capita	Low	Low	Throughout	Re-programme works
Not carrying out works prior to next winter period	SCC & Capita	Low	High	Start of works	Ensure programmes commence in spring with the majority completed by late summer

## **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					
Capita	20,000				20,000
contractors	30,000				30,000
Internal SCC business fees	150,000				150,000
<b>Total capital costs</b>	<b>200,000</b>				<b>200,000</b>

### 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
<b>Project Revenue Costs</b>					
Asset costs					
External fees (eg Capita, other partners or contractors)					
Internal SCC business fees					
<b>Total revenue costs</b>					

### 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>3 days</i>				<i>3 days</i>
▪ <i>Finance</i>	<i>15 days</i>				<i>15 days</i>
▪ <i>Asset Management</i>	<i>50 days</i>				<i>50 days</i>
▪					
▪					
Capita, contractors	60 days 150 days				60 days 150 days
<b>Total Resources Days</b>	<b>278 days</b>				<b>278 days</b>



**5.2.4 Contingency**

*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>