



PROJECT BUSINESS CASE

Project Number:

Project Title: Supported Housing – Rozel Court Communal Area Refurbishment

Release (Draft/Final)	Draft
Version Number	1
Date	07/11/2010
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 corridor areas to all 4 floors to both blocks (not central core area, this is to be carried out following 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	£240,000 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.

PROJECT OBJECTIVES AND MEASURES

2.3. 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

2.4. Service / Business Benefits

Who will benefit and how?

Tenants, Residents and visitors both now and in future years

2.5. 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.

2.6. *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 communal areas to both blocks

3. 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%

3.1. 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

APPENDICES

3.2. Project Costs

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

3.3. 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	0	0	0	0	0
External fees (eg Capita, other partners or contractors)	33.672	0	0	0	33.672
	206.328				206.328
Internal SCC business fees	0	0	0	0	0
Total capital costs	240	0	0	0	240

3.3.2 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
Project Revenue Costs					
Asset costs	0	0	0	00	0
External fees (eg Capita, other partners or contractors)	0	0	0	0	0
Internal SCC business fees	0	0	0	0	0
Total revenue costs	0	0	0	0	0

Building is already maintained so no additional cost expected

3.3.3 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>	<i>4days</i>				<i>4days</i>
▪ <i>IT Client</i>	<i>0 days</i>				<i>0 days</i>
▪ <i>Asset Management</i>	<i>18</i>				<i>18</i>
▪					
▪					
Capita, other partners or contractors	60				60
	60				60
Total Resources Days	142				142

3.3.4 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>