



PROJECT BUSINESS CASE

Project Number:

Project Title: Decent Homes, Central 2011/12

Release (Draft/Final)	Draft
Version Number	1
Date	21/03/2011
Project Manager	S. Ransley
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	S
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 the refurbishment of 295 Kitchens and 335 Bathrooms within the Central area of the city, contributing towards maintaining the current level of Decent Homes across the city. Works also include electrical upgrades within the kitchens.

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: 04/11/2011

2. OPTIONS APPRAISAL

2.1. Options Investigated

Option Description	Benefits	Costs	Risks
Do nothing	None	None	Larger number of properties failing decent Homes levels
Carryout works as described	Maintains current levels and property is easier to let	£ 2,558,592 including fees	As described in OPP
Carryout refurbishment to whole of property at the same time	Property is completely refurbished and no further works planned	£4,000,000	Insufficient funding available, Procurement problems and timescales unachievable.

Complete the above or attach an option appraisal template.

2.2. Recommended Option

Recommend option 2 as this is a realistic approach and will assist in maintaining the councils current high level of homes meeting the Decent Homes level

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.

To carryout the refurbishment of 295 Kitchens and 335 Bathrooms in the Central area

3.2. Service / Business Benefits

Who will benefit and how?

Tenants both now and in the future having modern facilities within their home

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): 04/11/2011

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%

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	Property is Decent until void.
Contractor enters into Administration	SCC & Capita	low	Med	Throughout	Use of in house staff and frameworks
Long spells inclement weather	SCC & Capita	low	low	Autumn / Winter periods	Adjust programme to suit
Current framework expires before completion of works	SCC & Capita	low	low	Oct onwards	Short procurement exemption to complete project

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 fees	149,410				149,410
Contractor	2,320,025				2,320,025
Internal SCC business fees	89,157				89,157
Total capital costs	2,558,592				2,558,592

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>	<i>5 days</i>				<i>5 days</i>
▪ <i>Asset management</i>	<i>150days</i>				<i>150days</i>
▪ <i>Finance</i>	<i>30 days</i>				<i>30 days</i>
▪					
▪					
Capita, other partners or contractors	150days				150days
Total Resources Days	335 days				335 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>