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|  |  |

INSERT PROJECT TITLE

BUSINESS CASE

Version: [ ]

Date: [ ]

|  |  |
| --- | --- |
| **Project Reference** |  |
| **Title**  |  |
| **School/Faculty** |  |
| **Building Name**  |  |
| **Type** |  |
| **Programme Alignment**  |  |
| **Estate Strategy Manager**  |  |
| **UPO:**  |  |
| **Project Sponsor** |  |

**Committee Approvals**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Meeting** | **Month** | **Year** | **Amount** | **Programme****Start****Date** | **Programme****End****Date** |
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**Document Edit History**

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date**  | **Additions/Modifications** | **Prepared/Revised by** |
| Version 1.0 |  |  |  |
|  |  |  |  |
|  |  |  |  |

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Sponsor signature**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print name**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date**

**Decisions required and key issues**

The purpose of this programme/project is to enable us to deliver….

* <TEXT>
* <TEXT>
* <TEXT>

Members are invited to approve:

* <TEXT>
* <TEXT>
* <TEXT>

The key issues to consider are:

* <TEXT>

**1. Executive summary**

* 1. **Key points of the business case**

*[Summarise the key points from the business case. Emphasise the option evaluation and the reasons for selecting the preferred option.]*

*[Clearly state what is being requested to progress the project]*

* 1. **Capital Impact**

|  |  |
| --- | --- |
| Professional Fees | £ |
| Enabling Works  | £ |
| Main Contractor  | £ |
| Furniture, Fixtures and Equipment  | £ |
| ISD Costs  | £ |
| Other  | £ |
| **TOTAL CAPITAL** | £ |
| Risk and contingency, including VAT (included in the total capital above) | £ |
| One-off transitional revenue costs (I&E) | £ |
| Previous capital funding approved | £ |
| Capital funding requested to progress to xxx stage | £ |

**1.3 I&E Finance**

|  |  |
| --- | --- |
| **Financial Summary for the Preferred Option**  | **£** |
| Change in income when fully operational (state whether positive or negative i.e. +/-) | £ p.a. |
| Change in operating costs (inc. depreciation and capital charges) (+/-) | £ p.a. |
| Change in contribution target when fully operational (+/-) | £ p.a. |
| Capital investment from other sources (inclusive of non-recoverable VAT) | £ |

**1.4 Programme**

The project will be subject to reviews to provide assurance on the performance of all parties on the project.

|  |  |  |
| --- | --- | --- |
|  **Assurance event** |  **Baseline date** |  **Actual date** |
| **Stage Gate 1** – RIBA Stage 0 |  |  |
| **Stage Gate 2** – RIBA Stage 1/2 |  |  |
| **Stage Gate 3** – RIBA Stage 3  |  |  |
| **Stage Gate 4** – RIBA Stage 4 |  |  |
| **Stage Gate 5** – RIBA Stage 5 |  |  |
| **Stage Gate 6** –RIBA Stage 6  |  |  |
| **Stage Gate 7** – RIBA Stage 7 |  |  |

# Strategic Case and Sponsor

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| --- |
| 2.1 Project Objectives & Strategic Fit:  |
| [Outline the internal and external factors that are driving change.]*This section needs to cover but not exclusively the following –* * *Reason(s) for project arising (problem, opportunity or an obligation)*
* *Explain the intended outcomes*
* *Project relation to UCL strategic priorities*
* *Third part strategies (if any)*
* *Clear summary of the reason for change*

*This section should also outline the key items of scope, ideally in a concise list and* *quantified where possible.*Note – there needs to be a clear link between the requirements defined in the academic rationale and the defined scopeInclude a high level summary of academic business case  |
| 2.2 Financial Benefits of the Proposal  |
|

|  |  |  |  |
| --- | --- | --- | --- |
| Benefit | Measure | Target | Start date |
| No. of students | £ |  |  |
| Research grants | £ |  |  |
| Other finance benefits |  |  |  |
|  |  |  |  |

*The value of the benefit should be included in terms of £000s per annum* |
| 2.3 Non-financial benefits of the proposal |
|

|  |  |  |  |
| --- | --- | --- | --- |
| Benefit | Measure | Target | Start date |
| Additional space |  |  |  |
| Reputation |  |  |  |
| Student Experience  |  |  |  |
|  |  |  |  |

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Project Review Group

(Approves all projects over 250k)

# Economic and Finance Case

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| 3.1 Identification of Options |
| *Summarise the options against a base option. The base option is defined as the minimum course of action that it would be reasonable to take. (Where the opportunity takes* *advantage of an opportunity rather than addressing a problem, the base option is likely to* *be Do Nothing)* 1. words maximum
 |
| 3.2 Financial Appraisal of options  |
|

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description | Base option | Option 1 | Option 2 | Option 3 |
| Total income over full period |  |  |  |  |
| Total expenditure over full period |  |  |  |  |
| Net cash flow  |  |  |  |  |
|  |  |  |  |  |
| NPV |  |  |  |  |
|  |  |  |  |  |
| Payback from year of initial investment |  |  |  |  |
|  |  |  |  |  |
| Rank of options |  |  |  |  |
| Increased Student Numbers |  |  |  |  |
| Increased Staff FTE |  |  |  |  |

Insert cash flow & NPV as a graph at 5yrs, 10yrs, 25yrs and 50yrs by option |
| 3.3 NPV after applying sensitivities  |
| Apply a minimum of 3 sensitivities appropriate to the proposal, these should be bothAdverse and positive

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Base option | Option 1 | Option 2 | Option 3 |
| Specify sensitivity |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

 |
| 3.4 Impact on the Income and Expenditure Account  |
| Indicate a deficit by placing it in brackets

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Base option | Option 1 | Option 2 | Option 3 |
| Year 1 |  |  |  |  |
| Year 2 |  |  |  |  |
| Year 3 |  |  |  |  |
| At steady state |  |  |  |  |

200 words maximum |
| 3.5 Central re-current costs  |
|

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Description | Base option | Option 1 | Option 2 | Option 3 |
| Rents, rates & services charges  |  |  |  |  |
| Estates premises running costs  |  |  |  |  |
| IT running costs |  |  |  |  |
| Additional central support teachingand learning resources  |  |  |  |  |
| Total central re-current costs |  |  |  |  |

*State clearly the way forward in relation to the options identified and reasons for eliminating other options*  |
| Preferred way forward  |
| *The total costs reported under this section should tie up with the cost breakdown indicated* *on the Project Account Request (PAR)* Option Analysis attached in Appendix x  |
| Capital funding |
|

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|   | £ | % certainty |
| Amount in Capital Programme (ID of Capital Programme number to be inserted)  |   |  |
| Other UCL funding (specify) |   |  |
| External sources of funding (specify) |  |  |
| TOTAL FUNDING |  |  |
|  |  |  |  |

 |
| Cash flow comparison  |
|

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Yr 0** | **Yr 1** | **Yr 2** | **Yr 3** | **Yr 4** | **Total** |
| **Anticipated Total Cost** (as calculated on the PAR) |  |  |  |  |  |  |
| **Baseline** **Total Cost** (as on the CP Baseline approved by CPSC) |  |  |  |  |  |  |

*Enter the anticipated cashflow as outlined in the PAR form* |
| VAT Implications  |
| *defined in the risk register.*

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| 4.0 Risk Assessment and contingency  |

*If appropriate, the full risk register should be attached to the Business Case*The top five risks are as follows;

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Risk Category | Risk description | Mitigating Actions  | RAG |  |  |  |  |  |
|  |  |  |  |
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| 5.0Environmental Sustainability |
| Environmental performance of the project will be assessed using:

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| --- | --- | --- |
| **BREEAM:** | **Ska:** | **Other (please specify):** |
| Excellent |  | Full Version (Gold) |  |  |
| Outstanding |  | Mini-Ska |  |  |

*Identify how this project will contribute to improved environmental performance and broader life cycle sustainability including economic benefits, and the wellbeing of building users. This should include (as applicable) design & construction; operation and maintenance; end of life/ disposal; and any changes to departmental activities and practice.* |
| Carbon dioxide: Identify carbon dioxide and energy savings from options explored using the UCL [Carbon Appraisal Tool](http://www.ucl.ac.uk/greenucl/resources/construction)[[1]](#footnote-1), stating net present value for each option and confirming preferred option.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Options considered:** | **Base case** | **Option 1** | **Option 2** | **Option 3** |
| Annual energy (KWh) |  |  |  |  |
| Annual carbon dioxide (tonnes) |  |  |  |  |
| Net Present Value |  |  |  |  |
| Abatement cost of carbon (£/tonne CO2 eq) |  |  |  |  |   |

Option used: identify option that is used and how this is to be implemented |
| ISD Involvement |
|

|  |  |
| --- | --- |
| For assistance in reviewing IT requirements contact ISD on isd-pmo@ucl.ac.uk  (please place a tick beside any boxes that apply to this project) |  |
| AV |   | WIFI |   | Printing |   |
| PCs |   | Cluster Rooms |   | Telephony |   |
| Networking |   | Lecture Theatres |   | Datacentres |   |
| Comms Rooms |   |   |   |   |   |

Name of ISD person engaged:Date they were engaged: Description of IT requirements: Capital cost: Recurrent costs:Identify who will be providing IT support post ‘go-live’ |

# Procurement

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| 7.1 Procurement strategy  |
| *The procurement strategy focuses on how the required services, supplies or work can best* *be procured* |
| 7.2 Contract strategy  |
| *State the standard form of contract to be used and why this form was chosen* |

# Project Management Case

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| 8.1 Governance |
| *Project board to be set up and in place for all schemes*  |
| Management of interfaces |
| *Define the key interfaces on the project***Standard Governance Process for approval of projects**  |
| Decant/recant strategy  |
| **8.3a**  *Describe the decant / recant strategy, including key dates and dependencies – include this* *in the table provided.*

|  |  |  |  |
| --- | --- | --- | --- |
| Decant from | Decant to  | Date | Dependencies |
|  |  |  |  |
|  |  |  |  |

**8.3b** *Define the interdependencies with other programmes and how they will be managed.*

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| 9. Consultation  |
| As part of developing this Business Case the following parties have been consulted as part of the process[x] Estates Strategy Manager Click here to enter text. [ ] Estates Delivery Manager Click here to enter text.[ ] Estates/Professional Services Finance Click here to enter text.[ ] School Finance Director Click here to enter text. [ ] Facilities and infrastructure Click here to enter text.[ ] ISD Click here to enter text.[ ] HS&E Click here to enter text. [ ] Properties & Student accommodation Click here to enter text.[ ] Teaching & Learning Space Click here to enter text.Appendix A - Map of project locationAppendix B – Suggestion of risk register Appendix C - Appendix D -  |
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1. [↑](#footnote-ref-1)