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INSERT PROJECT TITLE

BUSINESS CASE

Version: [ ]

Date: [ ]

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| --- | --- |
| **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 |  |  |  |
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**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 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**

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| **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.

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| **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 scope  Include 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 |  |  |  | |  |  |  |  | |

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 both  Adverse 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 teaching  and 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.*   |  | | --- | | 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 |  |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |
| 5.0Environmental Sustainability |
| Environmental performance of the project will be assessed using:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **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.*   |  | | --- | | 9. Consultation | | As part of developing this Business Case the following parties have been consulted as part of  the process  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 location  Appendix B – Suggestion of risk register  Appendix C -  Appendix D - | |  | |
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1. [↑](#footnote-ref-1)