



## **BUSINESS CASE**

### **(FORM B & Priority Assessment)**

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**Project name**      Snowhill Industrial Estate – Roof Repairs

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**Release**              Draft/Final  
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**Purpose**


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To document the justification for the undertaking of the project, based on the estimated cost of development and implementation against the risks and anticipated business benefits and savings to be gained.

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**Contents**

*Business Case could cover, for example, the following topics. There may be other unique criteria for a specific project.*

<b>Topic</b>	<b>See Page</b>
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**Reasons**

The above buildings are approx 50 years old. Recent works to renew/repair original roof-lights and guttering to relieve water ingress were recently completed. However, the torrential rain and winds have taken their toll and water ingress has become very obvious and continual via the roof sheets and fixings.

The recently completed Gleeds Condition Survey (September 2012) excluded the roof as access is not readily available or safe.

Approximately 40% of the tenants have recently experienced water ingress affecting their businesses to varying degrees. The majority are claiming on goods and fittings damaged under their contents insurance policy. However, resistance is building to this action as their premiums will increase and the insurers start to query the cause.

The leases are internal repairing and therefore there is no ability to recover the cost. The damage has not been caused by an insurable risk, merely age.

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**Options**

There is no sensible alternative to carrying out the works.

**Benefits expected**

Building will be watertight and rent receipts safeguarded.

**Risks**

The current income is approx £135,000pa which needs to be protected. Rent reduction requests and non-payment of rent is likely to increase as the conditions worsen over the winter. The vacant units are currently not leaking but it can only be a matter of time.

The MBC document repository is currently housed in Unit 74.

**Funding Source**(delete as appropriate):

- (i) General Fund Capital Receipts

**External Funding**

None

**Costs**

<b>Committee:</b>	REEA (delete as appropriate)					
<b>Capital/Revenue</b>	(delete as appropriate)					
Spending profile/ method of funding	Spend to £	2010/11 £	2011/12 £	2012/13 £	Later Years £	Total £
Internal Funding				90,000		
External Funding						
<b>Total Cost/savings</b>				90,000		

**Financial appraisal**

Financial Appraisal  (Capital Schemes only)	(i)	Has the proposal been subjected to any form of financial appraisal?  <i>Quotations for work currently being obtained. Estimates provided by the building surveyor and discussions with a reputable contractor.</i>
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	(ii)	<p>Have the revenue consequences for future years' budgets been clearly identified and is this sustainable?  <i>MBC will be able to receive contractual rents due and let vacant units and the roof repairs will prevent more serious damage to the building.</i></p> <p>Please provide details and attach supporting documentation regarding the sustainability of the ongoing consequences.</p> <p>Replace life expired fixings to existing roof sheets. Remove the existing semi transparent roof lights and over board the whole roof with new insulated profile sheet roofing panels and securely fix. Insert new roof lights in the same position as existing. Trim out and make good at the roof lights position to close the roof sheet ends. All cut edges to be coated with Giromax seal to manufacturer's specification, all laps and joins to be sealed with proprietary mastic seal.                  A Warranty on workmanship and materials will be available for 30 years.                  A verbal indicative quote received from ARC Roofing Systems Ltd who have inspected the roof and recommended the works solution. A case study that has used this method of repair will be followed up prior to instruction                  It is recommended that the contractor that has already undertaken substantial repairs to the roof and guttering this year, ARC Roofing Systems Ltd. is instructed to complete the over clad system. This will ensure that there are no disputes on warranty issues should there be problems with leakages to the roof or guttering in future years.</p>
	(iii)	<p>Have the VAT implications been clearly identified and is this sustainable?  <i>VAT will be paid on the price of the works.</i></p>

**Timescales** Instructions to proceed to tender be issued as soon as authority is given. Works to be carried out as soon as possible. The tenants will be advised accordingly.

**Investment appraisal** Not applicable

**Evaluation** Works earlier this year on guttering, flashing, abutments and roof lights, have not resolved leaks and further works are now imperative.

**Consultation** Management Team have been advised and consulted

<b>Interfaces (internal/ external) Impact on other services Dependencies Completion criteria/ exit strategy</b>	John Bramall, Gleeds (Planned Maintenance Prog – roof not inspected as unsafe access). Units 70 and 74 used by MBC Units 72 used by MBC temporarily
<b>Sensitivity to key assumptions</b>	The works need to be carried out as soon as possible to protect tenant and landlords interests. Consideration needs to be given to future warranties when making decisions on awarding the contract
<b>Other approvals required</b>	Building Regulation approval
<b>Equalities Impact Assessment</b>	Not required for this project.