



**Part B
Business Case**

Cemetery Lodge, Thorpe Road.

**Incorporating business case, project
brief and project management
document**

- Part A – Document Control**
- Part B – Business Case, Project Background and technical issues**
- Part C – Project Brief**
- Part D – Project Management Document**

Version no: 1

Date: 17/10/2013

Part A - Document Control

A 1 - Key personnel

Title	Project Initiation Document
Author	Jane Galilee
Approver	Harry Rai
Owner	Jane Galilee

A 2 - Project Organisation Structure

The property is owned by the General Fund – special expenses. It is under the budget of the Cemetery (Raman Selvon).
The Property advice is provided by Jane Galilee with David Blanchard as Chief Property Officer.

A 3 - Version history

Version	Date	Summary of changes	Changes marked

A 4 - Distribution

Name	Area
Dawn Garton	Central Services

A 5 - References

Doc reference	Document title
10 th December 2012	Appendix A Project Mandate
18 th September 2013	CSA Report of Head of Communities and Neighbourhoods.

Part B – Business Case, Cemetery Lodge – Residential use

B 1 - General

Cemetery Lodge became vacant in February 2012. It is in reasonable wind and watertight repair at present.

B 2 –Service / Service / Function

Cemetery

B 3 – Strategic fit

: The building has no MBC operational service future.

B 4 - Options appraisal

The Options to be considered are;
Option 1; Rent out on an Assured Short hold Tenancy to members of the General Public. The open market for this type of property is currently buoyant and as such a rent of £600/m is expected with very low vacancy rates. 6 to 12 month terms could be offered with a happy tenant likely to stay longer. There is a risk of Disruption to the other visitors to the Cemetery which could be mitigated by controlling the occupants to over 55 years and/or in employment.

Option 2: Rent out on a Commercial basis on an open market basis. The building is not located in either a Town Centre Retail location or an office/business location and therefore there would be very little demand and therefore income from such uses. The general market for poorly located commercial use is very restricted at present with long rent free periods and with short term agreement to be expected. The risk of vacancies would be high on a speculative basis with at least as many risk of disruption issues as with the proposed residential use. It has very little on site space for customer/office parking and the space is not laid out in a format that is suitable for either such use.

Recommendation;
Option 1 is progressed.

B 5 - Achievability

Works to be instructed immediately to prevent further deterioration and risk of squatters. Quotes will be obtained and work commence asap.

B 6 - Legal Issues (if applicable)

A local letting agent can be instructed to let and manage to building and collect the rent for approx. 10% of the annual income.

B 7 Specification

Works specification available upon request but estimated costs are £25,000 plus vat.

B 8 - Financial Implications

<i>Cap / Rev</i>		
	£	Comment
Initial Costs	£25k	
External Funding	None	
Net Cost	£25k	
Ongoing Savings	Gross income £7,200pa Net income assuming no voids for the first full year of income £6,480pa	Once in good repair and being used the threat of damage by squatters is removed.
Phasing		Works to commence upon receipt of acceptable quotes and take approximately 3 months to complete.

B 9 – Project Scoring Matrix Needs scoring [i have scored it as 7 in sentence below]

The Project Scoring Matrix produces a figure of 7 points and therefore Formal Methodology is not necessary.

Scoring – for your project – calculate the points			
Criteria	1 Point	2 Points	3 Points
Cost £ (budget, time and human resource)	<£10k	£10k - £50K	>£50K
Timescale	< 6 months	6 – 12 months	> 12 months
Impact if project failed on the organisation	Minor disruption	Moderate	Major
Melton's Track Record	Done Successfully Many Times Before	Done Successfully Once or Twice Before	New Area of Working
Stakeholder Interest (internal and external)	Minimal	Moderate	Major
Project Complexity	Straight-forward	Moderately Complex	Highly Complex

Projects scoring 6 – 10 points - Formal methodology **not** necessary
 Projects scoring > 10 points - Formal methodology **is** necessary

Note

The business case **must** be submitted initially to the Programme Board and will allow schemes to be prioritised and feasibility to be assessed.

Part C – Project Brief

The Project Brief sets out the direction, scope and objectives of the project and forms essentially the “contract” between the Project Sponsor and Project Manager as to what will need to be delivered.

C 1 - Project Objectives, outcomes and benefits

MBC objectives are to get a building back into use and provide an income from the capital invested in improvements.

Project objectives should link to the high level Strategic Objectives as they specify what needs to be done to achieve them. Project objectives should be **SMART** (Specific, Measurable, Attainable, Relevant, Time bound)

This section should identify the business benefits to be achieved by doing the Project, both financial and non-financial.

They should also be linked to the objectives. These can include political, reputational, financial, developmental, learning etc.

Part D – Project Management

D 1- Key Business Risks/Contingency Plans/Exit Strategy

Refurbishment

Residential refurbishments have been carried out by MBC as a matter of course for many years and the works are quite within capabilities to carry out.

Letting

The preparation of the marketing material for letting the building can begin as soon as the works have been commenced. The residential letting market is buoyant across the country at present and minimal vacancy periods are expected. A local agent can be instructed and a board erected on site to fulfil the letting service.

D 2 - Key Stakeholders

This section should identify the key stakeholders, both internal and external to Melton Borough Council, for example:

External Stakeholders

General Public –

There may be noise and access complaints received from the visitors to the Cemetery. The whole site is surrounded by houses so we have no reason to believe that the occupiers of the Lodge will have any worse behavioural patterns than the other residential occupiers.

Signage will be erected to confirm the areas where no parking is allowed.

Internal Stakeholders

Finance – None

Legal – As assured shorthold tenancy will be used to ensure that MBC can obtain possession if required.

As a General Fund Property it is understood that the Right to Buy legislation does not apply to this use of the Lodge.

***For guidance on their management strategies refer back to Step 2 –
Prioritisation, page 16***

D 3 - Communication Plan

- Report to Harry Rai and confirm position to the budget holder.
- Completion of the works and when the property let. so that the budget can be updated accordingly
- To enable the budget to be updated
- Regularly and upon completion of the works and letting of the property.

D 4 - Project Controls Needs completing

This section of the PID should highlight the key controls that have been put in place to aid the management of the project. This may include:

Quality Control

The project will be overseen by John Bramall (Building Surveyor).

Key Controls for Project Closure

The Project will be complete and handed over from Proeprty when the Works are completed and the property let and occupied by a residential tenant. The rent will be collected by a managing agent on MBC behalf. The rent will be allocated to the Cemetery Budget under Ramans control

Appendix B2, – Standard Risk Management Template

Project Name:

Updated:

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11
Risk No.	Grade [red, amber, green]	Risk Owner	Cause	Potential Consequences	Current Score	Original Score	Movement [↔,↑,↓]	Current controls [working]	Adequacy of mitigation measures	Planned actions (For key risks only)
1				•						
2				•						
3				•						
4				•						
5				•						

Last updated:

Risk Number	This is the unique identification number given to each individual risk
Owner/project	Who is the risk owner and therefore responsible for ensuring the mitigation work is undertaken
Cause	This describes the existing, potential or perceived risk/threat to the project objectives
Consequence	The impact of the cause is often a chain of events that can impact on many stakeholders
Current score and original score	Based on the risk matrix, how is the risk likelihood scored e.g. A, B, C, D or E Based on the risk matrix, how is the impact scored e.g. 1, 2, 3 or 4 The original score is as per the first time it was raised.
Current mitigation	The existing measures that are in place to control /prevent the risk (risk mitigation)
Adequacy	An assessment on the suitability of the current mitigation measures (adequate, poor, good)