

	PAPER NO: PC.09(12)
Committee:	Property Committee
Date:	25 April 2012
Subject:	Enhancements to the Student Environment - Strategic Outline Case (SOC)
Author:	Stephen Wells, Director Estates & Facilities
Executive sponsor:	Martin Earwicker, Vice Chancellor
Recommendation by the Executive:	That the attached report is noted

1. Executive summary

- 1.1 The purpose of the paper is to present to the Property Committee (and for noting by the Board) the intention to proceed to preparation of full business cases for a significant investment into the student environment. Each project will have a separate business case that will be approved in line with financial governance arrangements based on initial cost estimates. These business cases will be developed on a building by building basis. The first Business case to be prepared will be for schemes contained within the London Road building.
- 1.2 The aim of the overall programme is to deliver a significant step change in the student environment by 2015. The paper aims to achieve a transparent approach to the proposed overall scope of work and investment of circa £11.6M, presented in a strategic outline case (SOC) format.
- 1.3 **What** – Significant upgrades in teaching space, social study space, ICT, redecorations, furniture, enhanced facilities and toilets are needed to improve the student environment across the campus.
- 1.4 **Why** - Curricula have changed, teaching methods have changed and the current spaces are not fit for purpose. Direct competitors have improved and are improving their offers and we need to do the same.
- 1.5 **When** - Stage 1 - The appraisal, design brief and concept stages (as defined by the RIBA Work Stages A, B & C) will be complete first and Stage 2 - the implementation (RIBA Work Stages D-K) and therefore all areas in use by end of 2015 (subject to funding).
- 1.6 **How** - The work will be bundled into efficient lots and delivered in a way that minimises disruption but maximises positive impact upon the students whilst ensuring maximum value for money. The bundles will be worked up in more

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detail in Stage 1 (Scheme development) and the appropriate LSBU governance and procurement procedures will be used to bring back separate business cases to the appropriate committee/forum for approval. Upon approval Stage 2 (implementation) will commence.

- 1.7 **Who** – Stage 1 (schemes development) will be managed by Estates and Facilities utilising external consultants to assist in timely project development and the implementation stages will be taken forward using predominantly in-house resources assisted by external resources as necessary. As a priority the proposed improvements for the London Road Building will be developed into a business case for approval. This will then present an agreed format for other projects for stages 1 and 2 to be developed.
- 1.8 The proposed list of projects is on the following page. The list is recommended to the Property Committee by the Executive, which approved the list at its meeting of 17 April 2012.
- 1.9 A background paper is also attached.

Main Project	Sub Project Details	Cost
A place to support the academic delivery...		
Creation of social study space across the Southwark Campus	Rooms LR C1CD/C2C16/292/C2C15, London Road Building to social study space	423,000.00
	Social study space adjacent to café 264 (LR265).	199,500.00
	Conversion of 3 no Keyworth pods to social learning space	171,000.00
	Refurbishment of level 2 of the Tower to create facilities for a new employability hub and problem based project learning. ***	600,000.00
Provision of enhanced facilities.	Creation of rehearsal space in Borough road (B248/249 & 250) ***	218,901.00
	Creation of product design facility in Borough Road (B48/49) ***	250,000.00
	Creation of new MBA study area in London Road (LR208E)	113,000.00
	Creation of a food studies area (E132)	132,000.00
	Creation of new VERT and Radiation facilities (space to be identified) ***	492,600.00
	Creation of new, enhanced central timetabled and social study space on the third floor of Keyworth	603,100.00
Creating modern and functional teaching spaces	Refurbishment of teaching space (redecorating and replace floor coverings)	680,811.00
	Replace furniture within teaching spaces	1,515,250.00
	Enhanced ICT across estate in teaching spaces	1,088,000.00
Enhanced facilities at the Havering Campus	Phase 2 of 3 including low carbon solution to first floor teaching spaces	300,000.00

A place providing a professional appearance...

Creation of professional main entrances	103 Borough Road entrance (including new barriers) *** Keyworth centre entrance and enhance café	452,500.00 650,000.00
Refurbishment of student accessible toilets	Refurbishment of 46 No toilets	2,684,107.00
Refurbishment of main student circulation spaces		280,000.00
Creating a modern sports centre for students	Phase 1 of 3, new entrance only	369,107.00
Creating an inner campus in inner London	Pedestrianisation of Keyworth Street (fees only)	50,000.00

Future proofing the estate, in an efficient way...

High level space assessment for the future uses of the Borough road Building		40,000.00
Delivery of enhance areas after academics comments from the functional suitability study		300,000.00

TOTAL

11,612,876.00

Notes.

All bids are subject to agreeing exact scope of works; this may affect the current estimates regarding cost estimates.

Current estimate of £11,612,876 is that £10,429,096 is capital and £1,183,811 is revenue. This is subject to change as schemes develop further.

*** To proceed on an accelerated basis to ensure operational delivery of projects in line with organisational expectations.

	Board/Committee	Date
Matter previously considered by:	Executive/Property committee Executive reviewed SOC	Various meetings 2011. 17 th April 2012.
Further approval required?	To be presented to the Board of Governors meeting. Approval of separate business cases dependant on estimate of total cost.	24 May 2012 TBC.
Communications – who should be made aware of the decision?	N/A	

2. Background

- 2.1 The work proposed in this Strategic Outliner Case (SOC) is essential to assist in achieving students and staff feeling “I made the right decision” in coming to LSBU.
- 2.2 The feel of the University is being compromised by the out-dated facilities which do not align with the values of the organisation. Visual appeal is important in attracting students, aids retention and promulgates a feeling of well-being and a professional image.
- 2.3 The choice agenda means that competitors within London and other Post-92 Universities have and are investing in their estate. Students will increasingly factor this into one of the biggest decisions of their lives.
- 2.4 Curricula have changed, teaching styles and therefore pedagogy has changed and the teaching spaces and areas where students meet and interact need to keep pace and be relevant.
- 2.5 Anecdotal evidence exists that modern environments positively influence student choice.
- 2.6 Evidence exists of negative feedback from current and potential students regarding the environment they are taught in, this will eventually be manifested in and adversely effect in the National Student Survey.
- 2.7 Therefore this paper is indicate a total sum of £11,612,876 be set aside to undertake a programme of works to enhance the student environment, by creating a place to support the academic delivery and a place providing a professional, standard experience.
- 2.8 This figure is a high level forecast on projects not yet fully developed. Greater cost certainty will be gained as the design evolves and is worked to a greater level of granularity.
- 2.9 The proposed work has the support of the Vice Chancellor, the Executive, the Executive Deans, Pro-Deans, Corporate Procurement, ICT and Estates and Facilities.
- 2.10 Business Cases have already been approved for four of the projects, by the Executive and or VC/Director of Finance, due to their business critical nature. These are;
 - the employability hub/problem based project learning,
 - rehearsal space,
 - product design facility and
 - Borough Road main entrance.

A further business case for the creation of new VERT (Virtual Environment Radiotherapy Training) and radiation facilities is considered to be business critical and will need urgent approval by the Executive. The other eighteen projects will be bundled to gain maximum efficiency and impact and least disruption. These bundled projects will be subject to business case rigours and the usual levels of corporate

governance. Procurement rules are clear and the usual processes adopted by LSBU will be adhered to.

- 2.11 Each Full Business Case (FBC) will seek the investment decision to proceed with the design and construction phase and will be presented to align with HM Treasury 'Green Book' best practice standard business cases using five key cases: The Strategic Case –The Economic Case –The Financial Case - The Commercial Case - The Management Case.
- 2.12 All works will be programmed to synergise with other concurrent capital works on-going planned preventative maintenance, long term maintenance and other approved or planned projects. Cognisance will be taken of enrolment and exam times to minimise any disruption to the student experience.
- 2.13 The detailed programmes will be worked up for each project and logic linked to ensure appropriate sequencing. Stages 1 and 2 are likely to take 2-3 years in total, depending upon efficient working and acceptable disruption constraints. Every effort will be made to foreshorten the delivery programme.
- 2.14 A key driver in programming the works will be the desire to affect a “big bang” and therefore “wow” factor into the changes. Therefore works will be bundled together so the whole of a particular space is upgraded in one go as opposed to an incremental change the impact of which would be much more diluted. We want students to be impressed and to notice a significant step change to their environment.
- 2.15 The users i.e. students and academics will be involved in the design and will have an opportunity to shape their own future and produce exemplar teaching and study spaces.

3. Introduction

- 3.1 London South Bank University (LSBU) Board of Governors (LSBU Board) has previously approved the Estates Strategy Vision dated May 2010 and the Student Success - University Corporate Plan 2011-14, which are in full alignment.
- 3.2 Within the above it is clearly understood that there is a need for the campus to be enhanced in the areas that the students directly interface with. Not unreasonably they will expect to see a standard of facilities commensurate with an increased level of fee investment that they are being called upon to make. Similarly the academic delivery teams need improvements to the environment to assist in improved teaching practices.
- 3.3 These areas can be summarised as:-
 - A place to support the academic delivery.
 - A place providing a professional appearance.
- 3.4 This paper describes those enhancements at a high level and is intended to make the overarching case for change and to provide a level of expenditure which will be backed up by standalone business cases for those projects within the scope. A holistic view has been taken in order to maximise synergies e.g. ICT will work within the programme of works as an integrated enabler.

- 3.5 Each, new, business case will be submitted using the usual LSBU governance regime i.e. the business justification template using the “e-forms” tab on the intranet.
- 3.6 This paper is presented to align with HM Treasury ‘Green Book’ best practice standard business cases and presents the five key cases. The individual business cases will be expanded upon to provide a further level of granularity.
- 3.7 The intention is to “bundle” analogous works e.g. re-decorations, furniture and ICT into Lots and programme them as coherent pieces of work and to procure them in a similar fashion. Each element of the “bundle” will be presented as an option based on a building by building approach. The business case and the procurement strategy will be aligned to give a seamless transition from business case via design, procurement and implementation. Works may be bundled with other on-going routine EAF work - an audit trail will be maintained for accountability for expenditure against the additional budget.
- 3.8 Timetabling and the student experience are recognised as being key drivers to the plan and the overall programme will be cognisant of their needs wherever possible. The works will be undertaken with minimum disruption and planned to avoid any adverse impact upon the National Student Survey and University league table positioning.
- 3.9 Because the levels of expenditure vary between and within Lots different levels of corporate sign-off are required and these will be described in the paper.
- 3.10 It is understood that the levels of expenditure described herein must not be exceeded by the individual business cases. It is suggested that un-allocated expenditure within each lot may be re distributed within that Lot against a pre-agreed set of criteria and in alignment with the overall aim of the Lot. Project estimates are very high level at this stage; site survey and design development will refine these. If the works are to be progressed within a reasonable time frame it is essential that the authority to vary the value/scope of each project, within the overall budget, is delegated to the Executive or the Executive project sponsor as part of specific project boards.
- 3.11 The levels of expenditure for the programme as a whole and the individual lots mean that the procurement will be subject to EU procurement thresholds and obligations.
- 3.12 **The Strategic Case** - This aspect of the business case explains how the scope of the proposed project fits within the existing business and estate strategies of LSBU and the compelling case for change, in terms of the existing and future operational needs of the University.
- 3.13 **The Economic Case** - This aspect of the business case documents the wide range of options which have been considered within the broad scope identified in response to LSBU’s existing and future business needs. It aims to arrive at the optimum balance of cost, benefit and risk.
- 3.14 **The Financial Case** - This is an assessment of affordability, available funding and value for money. It links proposed expenditure to available budget and existing commitments.

- 3.15 **The Commercial Case** - This is an external procurement and this section outlines the proposed commercial arrangements including risk profile, contract terms, and contract length and payment mechanisms.
- 3.16 **The Management Case** - This section addresses the 'achievability' aspects of the project. Its primary purpose is to set out the project governance, organisation and management and the associated actions that will be undertaken to support the achievement of intended outcomes.

4. STRATEGIC CASE – STRATEGIC FIT

Business need

- 4.1 The University Corporate Plan 2011-14 item 4.11 Student Satisfaction states that “our emphasis is on academic success and supporting students to progress in their careers. Everything we do is focussed on this, including creating an environment which facilitates learning and engagement with the world of work”.
- 4.2 Item 6.19 Finance and investment priorities states “we believe that investment in student support, both academic and pastoral, improving the state of existing buildings and in systems to support learning is a greater priority”.
- 4.3 Item 1.1 “The university is operating in a time of increasing competition and consumer i.e. student choice. The introduction of variable fees will fall entirely upon students to pay. Their judgement about value for money will increasingly dominate their choice of university”.
- 4.4 By providing a professional appearance the aesthetic, atmosphere and environment will be improved which will give the students and their parents a better impression of the campus upon initial contact.
- 4.5 Delivering enhanced facilities by creating space to support academic delivery should help reinforce this view and will aid retention and by giving better tools should produce better outcomes.
- 4.6 Helping create “*a campus within inner London*” to improve the cohesiveness of the estate, to improve the sense of place and encourage interaction at street level between students and with the community. This aligns with the Board approved Estate Vision.

Contribution to key objectives

- 4.7 The Estate Vision March 2010 references capital expenditure for new public realm. The pedestrianisation of Keyworth Street conceptualizing and the design work proposed will bring this aspiration a significant step toward realisation. The full design and implementation are not within the remit of this work.
- 4.8 The social study and learning spaces are much needed and will have a real impact upon the quality of the student experience within the university. The intention being to facilitate a series of flexible spaces that bring students together, allow cross pollination of ideas, peer support social learning through interaction and generate a feeling of ownership of the campus. Curricula have changed, pedagogy and ways of teaching have changed, by flexing the approach to teaching by introducing project

based learning, social study and improved ICT to act as an enabler for retrieving, presenting, publishing and submission of data academic outcomes and therefore employability will be improved.

- 4.9 Creation of a Product Design Facility in Borough Road (Business Case approved November 2011)
- There has been negative feedback from current and potential students which are evidence based this makes LSBU less attractive to students.
 - Design is a critical element and is being incorporated into all engineering teaching nationwide,
 - The proposed facility will add value to the academic offer by aiding employability, making courses more attractive, should improve National Student Survey returns and provide a distinctive edge to the student experience.
 - It will also enable LSBU to compete better with local competitors e.g. Greenwich.
 - Anecdotal evidence exists that modern environments positively influence student choice.
- 4.10 New Employability Hub and Problem Based Project Learning in Level 2 Tower Block (Business Case approved February 2012)
- The curriculum has changed there is more emphasis on problem solving, group working and team interaction.
 - This would benefit from having breakout areas where these activities can take place in a more discrete setting which encourage participation.
 - Improved environment and facilities for students, adjacent to the new student centre.
 - Co-location of the staff for the Employability Hub, therefore centralising all student services staff in to one location and raising the profile of Employability.
 - Opportunity to relocate all student services staff out of Technopark, therefore allowing the relocation of the international office in to the vacated, customer facing space in Technopark.
 - To establish a problem based project learning facility for the ESBE faculty to enhance the student experience.
- 4.11 Food Studies Area (E-Block)
- Other universities are closing down these areas, however the demand is increasing for this work due to most employers being SME's who need practical as well as theoretical skills sets.
 - No other mainland University in the UK provides this service.
 - ESBE see this as growth area with an aspiration to offer Masters level courses.
 - Other benefits include improved employability, student satisfaction, staff satisfaction, R&D opportunities.
- 4.12 The creation of professional main entrances will provide a landmark on the local map, aid orientation, produce a good first impression and provide better fit with the other anchor improvements (New Student Centre and Enterprise Centre).
- 4.13 Tired furniture within teaching spaces will be replaced with modern, ergonomically designed brighter seating and desks which will demonstrate investment in the comfort of the end users. It will also facilitate flexibility within spaces allowing improved utilisation of the areas.

- 4.14 Toilets are a touch point for all as they provide a facility that everyone needs at some point in the day. 46 No (in Borough Road, London Road, Learning Resource Centre & Perry Road) will be upgraded to produce bright, clean & hygienic facilities with new plumbing which will reduce the revenue costs of maintenance (reactive maintenance and utilities costs). An additional benefit is students, parents and staff will again gain a better impression of the facilities.

Completion of this programme of works will deliver the following improvements

- 4.15 Creation of Social Study Space across the Southwark Campus
- Conversion of five areas to social study space in London Road building.
 - Conversion of three Keyworth pods to social study space in London Road building.
 - Creation of project based learning in the level 2 Tower Block, adjacent to New Student Centre.
 - Refurbishment of part of disused Borough Road kitchen to quiet social study space.
- 4.16 Provision of Enhanced Facilities
- Creation of product design facility in Borough Road (to be completed on 23rd April 2012).
 - Creation of a new MBA study area in London Road.
 - Creation of a food studies area in E- Block.
 - Creation of a new VERT (virtual environment radiotherapy training) and radiation facilities (space to be identified).
 - Creation of a new enhanced central timetabled and social study space on the 3rd floor Keyworth.
 - Creation of rehearsal space in Borough Road.
- 4.17 Creating Modern and Functional Teaching Spaces
- Refurbishment of teaching space across the Southwark Campus.
 - Replacing furniture within teaching spaces.
 - Enhanced ICT (AV) across estate in teaching spaces.
- 4.18 Enhanced Facilities at Havering Campus
- Phase 2 of 3 including low carbon solution to first floor teaching spaces.
- 4.19 Creation of Professional Main Entrances
- 103 Borough Road entrance (complete by June 2012).
 - Keyworth atrium refurbishment & enhance café.
- 4.20 Refurbishment of Student Accessible Toilets
- Refurbishment of forty-six toilet facilities
 - Refurbishment of main student circulation spaces and corridors.
- 4.21 Creating a Modern Sports Centre for Students
- Phase 1 of 3 (new external. Separate entrance only).
- 4.22 Creating an Inner Campus in Inner London
- Pedestrianisation of Keyworth Street (outline design fees only)

- 4.23 High Level Space Assessment for the future uses of Borough Road Building.
Borough Road is a tired building which needs an overhaul. A high level space assessment is proposed which will include a needs analysis to support the derivation of a “To-Be” vision which when compared to the “As-Is” will produce a gap analysis and it is this which will be the basis of a holistic proposal to improve the Borough Road building.
- 4.24 Delivery of enhanced areas after academics comments from the functional suitability study which highlighted deficiencies and consequently areas for improvement.

Stakeholders involved in the preparation of the this paper

- 4.25 Key Stakeholders;
- Vice Chancellor – Martin Earwicker
 - Business – Executive Dean – Jane Houzer.
 - Engineering, Science and the Built Environment – Executive Dean – Rao Bhamidimarri.
 - Engineering, Science and the Built Environment – Pro-Dean (Academic) - Phillip Lockett.
 - Engineering, Science and the Built Environment – Academic Quality & Student Experience Manager - Jamie Jones.
 - Arts and Human Sciences – Executive Dean – Mike Molan.
 - Arts and Human Sciences - Pro Dean, Resources, Operations and Quality – Laurence Marlow.
 - Arts and Human Sciences – Policy and Procedure Manual - Sharon Holmes.
 - Health and Social Care – Executive Dean – Judith Ellis
 - Health and Social Care – Pro Dean – Warren Turner
 - Estates & Facilities – Director of Estates and Facilities – Stephen Wells.
 - Estates & Facilities - Head of Development - Roger Tuke.
 - Estates & Facilities – Head of Estates – Keith Gofton.
 - Estates & Facilities – Head of Facilities - Lynda Bradish.
 - Estates and Facilities - Security and Reception Services Manager - Elizabeth Palicza.
 - ICT – Acting Director of ICT – Jim Nottingham.
 - Procurement – Head of Procurement - Penny Green.
 - Finance – Director of Finance – Richard Flatman.
 - Finance – Business Support Manager - Andrew Garrod

Proposed Scope Derivation

- 4.26 The next stage of work will identify the client’s needs and objectives at an individual project level, develop the full business cases and identify possible constraints.
- 4.27 To be followed by development of the initial statement of requirements into Design Brief and confirmation of key requirements and constraints. Identification of procurement method, procedures to be adopted, organisational structure and the range of consultants to be engaged.
- 4.28 The concept stage will follow whereby outline proposals for building services, ICT, outline specifications and cost plans will be worked up coupled with a review of the procurement route to be adopted. This would then be subject to Design Brief and

Concept approval via a gateway review.

- 4.29 The design will be developed; the technical designs prepared and would then be subject to a detailed design approval.
- 4.30 Preparation and collation of tender documentation in a sufficient detail to enable tenders to be obtained for the bundled lots. Potential contractors would be identified and evaluated and tender returns obtained enabling a submission of recommendations to the client resulting in an investment decision i.e. Award

Constraints

- 4.31 The programme of works is to be delivered within a clearly defined budget envelope that must not be exceeded.
- 4.32 The need to keep all adjacent University activities in full use (access / egress / deliveries / fire safety / summer schools).
- 4.33 Packages to be designed and let in a way that will allow work to be carried out in term time as well as during vacation periods.
- 4.34 The works in this programme should not compromise the ability of different faculties to develop their market offering and the spaces they need to support this. A whole campus integrated programme is required.

Dependencies

- 4.35 Town & County Planning situation for the Entrance to Borough Road will be discussed with Southwark Council.
- 4.36 Working with ICT to ensure these works are carried out in a cohesive and co-ordinated programme that includes ICT as an integral part of the works.
- 4.37 Planned Preventative Maintenance Plans will be reviewed to enable touch-points with the proposed works to be identified and interfaces to be planned and managed.
- 4.38 Capital schemes to the Student and Enterprise Centres will be reviewed to enable touch-points with the proposed works to be identified and interfaces to be planned and managed.

Strategic Benefits

- 4.39 Will be manifested in improved National Student Survey results, improved standing in the National League tables and enabling continuous improvement to the DLHE survey of 2011 results which showed 82.7% of undergraduates were employed or in further study 6 months after leaving and 85% of them undertaking work placements as part of their study.

Critical Success Factors

- 4.40 Students feel valued.
- 4.41 Academic staff are proud of the teaching and research spaces that they need to work within.

- 4.42 The works will be completed within budget with any savings in individual projects being recycled within the bundled business cases to deliver further improvements analogous to those set out in the business case.
- 4.43 The works will be completed within the overall programme and benefits accrued in the same year that they were timetabled to do so.
- 4.44 The quality will be at least be commensurate with the LSBU Infrastructure and Services standards and will be of an exemplar standard of ambience, functionality and user friendliness.
- 4.45 Value for money and affordability over the whole life cycle will be key drivers in product selection and specification of materials and workmanship.

5. **ECONOMIC CASE - OPTIONS APPRAISAL**

Long and Short List of Options

- 5.1 The projects have been selected by a bottom up process with the stakeholder putting the case for change and then Estates and Facilities collating the needs into a programme of works. All other suggestions having been discounted before the scope was settled.
- 5.2 Six iterations of the long list were reviewed before the scope contained within this paper was settled upon following a process of value engineering. The overall proposals (appendix 1) were approved by the Executive in September 2012.
- 5.2 This Paper will be followed by business cases for each of the bundles or lots. Each of these will be subject to review and approval by Executive, Property Committee, Policy and Resources committee and the Board of Governors, as necessary.
- 5.3 Any variances in scope at bundled level would be referred back to the Project Sponsors and Project Board.

Service Delivery Options – Who Will Deliver the Project?

- 5.4 In line with LSBU procurement guidance, aligned to Estates and Facilities policies, using appropriate infrastructure standards.
- 5.5 Key stakeholders & Estates and Facilities to provide Intelligent Customer Function.
- 5.6 Programme Manager will manage Stage 1 and additional Project managers etc will be procured for Stage 2.
- 5.7 Three options exist to source the contractor;
 - Use existing framework contractors using a mini-competition to select the most appropriate.
 - Offer to open market via OJEU process.
 - Utilise existing Procure21+ framework or similar framework
- 5.8 An option appraisal will be undertaken to decide upon the most appropriate form of procurement method, in conjunction with Corporate Procurement.

Implementation options

- 5.9 An option appraisal will be undertaken to decide upon the most appropriate form of contract i.e. design & build or traditional.
- 5.10 A Standard form Contract will be used as the basis of the relationship with the successful contractor.
- 5.11 Let the work in analogous trade packages e.g. all relocation works together.
- 5.12 Let the work in location based packages e.g. all works London Road, Borough Road in separate packages

Risk Quantification and Sensitivity Analysis

- 5.13 These will be developed for each project as part of the Full Business Case development process. In addition, an over-arching risk management strategy and plan will be developed to ensure all risks are identified and mitigated in a comprehensive manner.

Options

- 5.14 Do nothing – undertake no enhancements to the student environment.
- 5.15 Do minimum - the current EAF budgets i.e. £550K for redecoration and re-flooring, one WC per annum. This will not deliver a step change and will be almost imperceptible to students. Some asset groups are nearing the end of their designed life expectancy e.g. toilets and will be subject to increased failure rates and increased reactive maintenance costs.
- 5.16 Undertake the works as described but implement as stand-alone projects and do one bit or building at a time. The whole programme will take a long time to deliver, the benefits realisation will be slower, the impact upon the student environment will be dissipated and the management costs will be higher because the programme will be longer.
- 5.17 Bundle the projects and implement in analogous and holistic chunks e.g. redecorations, furniture and ICT together at the same time and target specific areas to make a big impact with the subliminal benefit of “more to come” Will minimise management costs as the programme is shorter, will have one hit of disruption as opposed to a death by a thousand cuts. The National Student Survey (NSS) to see a step change as a result of obvious investment and clear improvements.

Benefits appraisal

- 5.18 The benefits for investments typically fall into four main categories:
- Cash releasing benefits (CRB). These benefits reduce the costs of organisations in such a way that the resources can be re-allocated elsewhere. This typically means that an entire resource is no longer needed for the task for which it was previously used. This can be staff or materials
 - Financial but non-cash-releasing benefits (non-CRB). This usually involves reducing the time that a particular resource takes to do a particular task; but not sufficiently to re-allocate that resource to a totally different area of work

- Quantifiable benefits (QB). These benefits can be quantified, but not easily in financial terms – for example, ‘reduced travelling time for customers’. The extent to which QBs are measured will depend on their significance. However, as a general rule every effort should be made to quantify benefits financially wherever possible
- Non-quantifiable (non-QB). These are the qualitative benefits, which are of value to the public sector but cannot be quantified. For example, an increase in staff/student morale as a consequence of less form filling.

6. FINANCIAL CASE – AFFORDABILITY AND VALUE FOR MONEY

Budget and Funding

6.1 The works are to be funded from operating surplus.

The Preferred Tender

6.2 Will be awarded upon best value and will include KPI's designed to incentivise timeliness, quality, health & safety, appropriateness of finish and cost efficiencies.

7. COMMERCIAL CASE – PROCUREMENT

Procurement Strategy

7.1 The procurement of the professional team, including all project management and design team members will be made cognisant of LSBU and OJEU or OGC compliant procurement procedures.

7.2 The Head of Procurement has been involved in the derivation of this paper and will continue to be involved as the options emerge.

7.3 Programme Manager appointed (via Buying Solutions Framework) to bundle works, and undertake Stage 1 management.

7.4. Upon selection and appointment of the design team workshop will be held to discuss the potential procurement options.

Risk Allocation and Transfer

7.5 These will be developed for each project as part of the Full Business Case development process. In addition, an over-arching risk management strategy and plan will be developed to ensure all risks are identified and mitigated in a comprehensive manner.

Current Design Status

7.6 No design yet undertaken (apart from approved Business Cases).

Planning Application Status

7.7 No planning discussion yet taken place.

Sourcing Options

7.8 Procurement options would include:

- Traditional lump sum
- Design and build
- Target cost
- Management contracting
- Construction management

- Traditional re-measurement.
- 7.9 It is felt the most appropriate options to be considered would be:
- Design & build.
 - Traditional lump sum
- 7.10 Key drivers
- Early cost certainty.
 - Risk allocation.
 - Responsibility for errors or omissions.
 - Earlier start afforded by overlapping of design & construction activities.
- 7.11 Three options exist to source the contractor
- Use existing framework contractors using a mini-competition to select the most appropriate.
 - Offer to open market via OJEU process.
 - Utilise existing Procure21+ framework or other framework

Payment mechanisms

- 7.11 The intention will be to make this as simple as possible whilst incentivising the contractor to work to the KPI's in the contract.

Contract length

- 7.12 This will be determined once the design has been completed and an estimate made as to the most efficient duration. It is expected the overall duration will be between one and three years (2015).

8. MANAGEMENT CASE - DELIVERABILITY

Project roles

- 8.1 A Programme Manager will be appointed to oversee the whole of the works. At this stage it has not been decided whether this person will be internal or a consultant project manager. The individual projects would most likely be managed by internal EAF project managers. Assistance and additional resources required will be funded as part of projects. User representatives would be appointed from the academic and student user communities and would be integral parts of the design process.

Project plan

- 8.2 A high level logic linked Gantt chart has been developed which shows the whole timeline from briefing via design, to procurement and implementation.
- 8.3 The overall project will be delivered by 2015 (subject to funding), with the first phase being developed for the London Road Building and then subsequent business cases developed for all other areas identified. Depending on funding required, these will need to be approved by the relevant committees (Executive, Property committee, Policies and Resources and Board)

Contract management

- 8.4 The Stage 1 (design and business case preparation) work will be managed by the LSBU appointed Programme Manager working with the LSBU appointed Cost Consultant to provide a comprehensive management function working with and for the nominated LSBU Client representative.

- 8.5 Stage 2 (construction tender and implementation) will be managed in a similar way with predominantly in-house resources assisted by external resources as necessary.
- 8.6 Regular monthly project team meetings will review:
- Progress against programme
 - Spend against budget
 - Variance against scope
 - All risks and issues
 - Known and forecast variance.
- 8.7 Monthly progress reports will be generated together with dashboard style reports with key headlines and issues for escalation to the Project Board, Executive, LSBU Property Committee and the LSBU Board (as appropriate).

Risk Management Strategy

- 8.8 Risk workshops involving stakeholders, project managers, end users and supply chain members will be held at appropriate stages to establish then update the risk register. The key to risk management is actually doing something to mitigate and minimise risks so this will be a key activity throughout the gestation and management of the work programme.
- 8.9 If risks need escalation to an Executive level then these will be raised appropriately.

Benefits Realisation Plan

- 8.10 The realisation of benefits is key to the success of the programme and therefore the benefits plan will be derived in Stage 1 and measures put in place to actively manage the successful i.e. tangible delivery of same.

Post Implementation Review and Gateway / Milestone Reviews

- 8.11 A formalised review will be held post completion to capture lessons learnt, and to review how the programme was managed and to measure the actual benefits accrued.
- 8.12 Gateway Reviews will be built into the programme at the key decision points e.g. Business Case (i.e. justification), Procurement Strategy, Design Brief and Concept Approval, Detailed Design Approval, Investment Decision (letting the contract), Readiness for Service and Benefits Evaluation.

Future Bundled Business Case Sign-Offs

- Up to £250 000 authorised by Vice Chancellor and Finance Director.
- Over £250 000 and up to £1 million authorised by Executive.
- Over £1 million authorised by Executive and Board of Governors.

Appendix 1 – Enhancements to the Student Environment Proposals for Investment

Main Project	Sub Project Details	Cost
A place to support the academic delivery...		
Creation of social study space across the Southwark Campus	Rooms LR C1CD/C2C16/292/C2C15, London Road Building to social study space	423,000.00
	Social study space adjacent to café 264 (LR265).	199,500.00
	Conversion of 3 no Keyworth pods to social learning space	171,000.00
	Refurbishment of level 2 of the Tower to create facilities for a new employability hub and problem based project learning. ***	600,000.00
Provision of enhanced facilities.	Creation of rehearsal space in Borough road (B248/249 & 250) ***	218,901.00
	Creation of product design facility in Borough Road (B48/49) ***	250,000.00
	Creation of new MBA study area in London Road (LR208E)	113,000.00
	Creation of a food studies area (E132)	132,000.00
	Creation of new VERT and Radiation facilities (space to be identified) ***	492,600.00
	Creation of new, enhanced central timetabled and social study space on the third floor of Keyworth	603,100.00
Creating modern and functional teaching spaces	Refurbishment of teaching space (re-decoration and replace floor coverings)	680,811.00
	Replace furniture within teaching spaces	1,515,250.00
	Enhanced ICT across estate in teaching spaces	1,088,000.00
Enhanced facilities at the Havering Campus	Phase 2 of 3 including low carbon solution to first floor teaching spaces	300,000.00

A place providing a professional appearance...

Creation of professional main entrances	103 Borough Road entrance (including new barriers) *** Keyworth centre entrance and enhance café	452,500.00 650,000.00
Refurbishment of student accessible toilets	Refurbishment of 46 No toilets	2,684,107.00
Refurbishment of main student circulation spaces		280,000.00
Creating a modern sports centre for students	Phase 1 of 3, new entrance only	369,107.00
Creating an inner campus in inner London	Pedestrianisation of Keyworth Street (fees only)	50,000.00

Future proofing the estate, in an efficient way...

High level space assessment for the future uses of the Borough road Building		40,000.00
Delivery of enhance areas after academics comments from the functional suitability study		300,000.00

TOTAL

11,612,876.00

Notes.

All bids are subject to agreeing exact scope of works; this may affect the current estimates regarding cost estimates.

Current estimate of £11,612,876 is that £10,429,096 is capital and £1,183,811 is revenue. This is subject to change as schemes develop further.

*** To proceed on an accelerated basis to ensure operational delivery of projects in line with organisational expectations.