

CAPITAL INVESTMENT BUSINESS CASE

Facilities Management Consolidated Capital Programme of Works



CPOG Reference No. – this will be assigned when the Business Case is submitted

EXECUTIVE SUMMARY

This business case proposes the establishment of a consolidated £2 million Financial Programme of Works (FPOW) for Facilities Management (FM), to replace the current fragmented process of submitting multiple individual business cases for each project or maintenance activity. This strategic shift aims to increase efficiency, enhance cost control, streamline governance, and improve the delivery of a programme of essential FM services.

Capital funding for large FM projects is currently requested through the Capital Programme Officer Group (CPOG) with the submission of individual business cases. There is very little flexibility to respond to changes in legislation / risk level / service demand.

A programme-based approach aligns with best practices in public sector asset management and reflects the strategic importance of maintaining a resilient, fit-for-purpose estate.

The current process leads to frequent delays to funding and to project start / completion and re-prioritisation of funding is not easy in the face of more urgent / safety-critical works requirement.

Urgent / safety critical projects are delayed or have to proceed at risk to the organisation (financial and procurement).

The creation of a Financial Programme of Works will:

- Replace multiple business case submissions with a single annual programme
- Improve planning and predictability of FM activities
- Enable bulk procurement and longer-term contracts to reduce costs
- Accelerate delivery times and improve operational responsiveness
- Enhance transparency and reporting through a single governance framework

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£2,000,000 - Capital	Contingency (show as £ and % of the project value)	0%
Portfolio Holder	Cllr Chris Penberthy, Cabinet Member for Housing, Cooperative	Directorate	Customer and Corporate Services
		Service Director	Jens Gemmel

	Development and Communities		Chief Operating Officer Interim
Senior Responsible Officer (client)	Kirstie Spencer Interim Head of Service – Facilities management	Project Manager	Various Projects
Address and Post Code	Ballard House West Hoe Road Plymouth PL1 3BJ	Ward	Citywide

Current Situation:

Capital funding for large FM projects is currently requested through CPOG with the submission of individual business cases. An assessment of urgent / H&S critical reactive works on the corporate estate has been undertaken and this constantly evolves as surveys or incidents occur. Currently these projects (both approved and funded or pipeline) are detailed within the FM Capital Priorities Record.

Currently projects are categorised as ICE (Improvements to the Corporate Estate) or H&S (Health and Safety). Once funding is approved, it is then not possible to re-prioritise this for more urgent / higher risk projects should they be identified. Officer time is constantly under pressure to develop and present business cases for the large number of projects required.

There is very little flexibility to respond to changes in legislation / risk level / service demand.

Proposal

Facilities Management plays a critical role in supporting the operational readiness, safety, and functionality of our estate. Currently, the delivery of FM projects is hampered by an inefficient approval model—where each individual project or maintenance activity must go through a full business case submission. This has led to:

- Delays in essential works
- Increased administrative overhead
- Reduced responsiveness to urgent maintenance issues
- Missed opportunities for cost savings through consolidated procurement

A programme-based approach aligns with best practices in public sector asset management and reflects the strategic importance of maintaining a resilient, fit-for-purpose estate.

Types of Works Included in This Proposal

- Compliance enhancement works (e.g. fire safety, legionella, asbestos)
- Urgent repairs/ renewals and contingency works

Cost Efficiency Benefits

- Expected cost avoidance of up to 10–15% through bundling and forward planning
- Reduced administrative costs: Estimated saving of £75,000–£100,000 annually in staff time and approvals
- Improved contractor rates due to aggregated scope and forward scheduling

Programme Management

- The Head of FM will oversee project delivery supported by the Hard FM Manager
- FM Assurance Board governance over prioritisation and spend of non-standard or high-value projects. Currently 2-weekly, but proposal would be monthly.
- Pre-defined project types and thresholds for delegated authority to be determined by FM Governance Board and approved at CPOG.

Controls

- Clear criteria for project eligibility
- Escalation and exception process for non-standard or high-value projects to the FM Assurance Board
- Annual review and re-approval process to adjust funding and priorities

Why is this your preferred option

The creation of a Financial Programme of Works will:

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- Improve planning and predictability of FM activities
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Option Analysis:

Do Nothing Option	Current process	
List Benefits:	Each project has a business case	
List Risk / Issues:	Delays to funding and to project start / completion Re-prioritisation not easy Urgent / safety critical projects are delayed or have to proceed at risk to the organisation (financial and procurement)	
Cost:	As per current cost (largely unknown – based only on previous spend)	
Why did you discount this option	This is not effective from a financial, risk or legal perspective and is draining to resources of PCC Officers.	
Do Minimum Option	No minimum option	
List Benefits:		
List Risk / Issues:		
Cost:		
Why did you discount this option		
Viable Alternative Option	Option as outlined in the proposal section	
List Benefits:	Benefit	Measurement
	Faster delivery of FM projects	Average project lead time reductions

	Cost savings through bundling	Procurement savings against baseline
	Reduced admin burden	Number of avoided business case processes
	Increased compliance	Audit pass rate and legal compliance KPIs
List Risk / Issues:	Risk	Mitigation
	Overspending on low-priority works	Clear prioritisation framework and controls
	Lack of oversight due to pooled funds	FM Governance Board and audit trail
	Procurement inefficiencies	Framework agreements and preferred suppliers
	Stakeholder resistance to change	Engagement plan and training for stakeholders
	Insufficient Procurement Service resource	Use of existing contracts Use of externally supported procurement routes e.g. frameworks with support offering Explore temporary resource

Strategic Case:

Which Corporate Plan priorities does this project deliver?

Keeping children, adults and communities safe
Spending money wisely

Milestones and Date:

Contract Award Date	Start On Site Date	Completion Date

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS**Risk Register****Potential Risks Identified**

		Likelihood	Impact	Overall Rating
Risk	Overspend on low-priority works	Low	Low	Low
Mitigation	Clear prioritisation framework and controls	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner	Head of FM Kirstie Spencer (Interim)	
Risk	Lack of oversight due to pooled funds	Low	Medium	Medium
Mitigation	FM Governance Board and audit trail	Low	Medium	Medium

Calculated risk value in £ (Extent of financial risk)	£	Risk Owner	Head of FM Kirstie Spencer (Interim)		
Risk	Procurement inefficiencies		High	High	High
Mitigation	Framework agreements and preferred suppliers		Low	High	Medium
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner	Head of FM Kirstie Spencer (Interim)		
Risk	Stakeholder resistance to change		Low	Medium	Medium
Mitigation	Engagement plan and training for stakeholders		Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£	Risk Owner	Head of FM Kirstie Spencer (Interim)		

Outcomes and Benefits	
Outcomes and benefits:	Measurement
Faster delivery of FM projects	Average project lead time reductions
Cost savings through bundling	Procurement savings against baseline
Reduced admin burden	Number of avoided business case processes
Increased compliance	Audit pass rate and legal compliance KPIs
Increased financial control	FM Governance Board reports

SECTION 3: CONSULTATION

Does this business case need to go to CMT	No	Date business case approved by CMT (if required)	
Did a mandate go via CPOG/CPB	Yes	Date Capital Mandate approved by CPB	18/06/2025

Does this project involve a corporately maintained property	Yes
Details of impact of this project ie cost saving from this project or additional requirements	Corporate property requires maintenance and reactive repairs. This project will support the cost-effective provision of these activities and reduce the risk of additional / high-risk or high-value repair requirements in the future.

Climate Impact Assessment

Upload Climate Impact Wheel	<p>Summary of assessment</p> <p>This business case is for the Consolidated FM Capital Programme and does not relate to any single activity. Therefore the effect on climate is neutral as indicated.</p>
Summary of the anticipated impact of the proposal on the climate (including any proposed	This business case is for the consolidated FM capital programme and does not relate to any single activity, therefore the impact on the climate is neutral as indicated in the wheel above.

mitigations and impacts beyond 2030)	
Confirm you have engaged with Procurement	Yes
Who have you consulted with in Procurement/ who is your Procurement lead?	Holly Golden
Where an existing contract is to be used could you include the contract title and reference number	Use of the existing Hard FM term contracts will be considered as part of any procurement route options appraisal
Procurement route options considered	<p>This business case refers to a complex and varied programme of work therefore the procurement route options considered will depend on the estimated value and nature of the individual requirement to be procured as it arises. All procurement routes considered will comply with Contract Standing Orders and wider public procurement legislation. High-level options include but are not limited to:</p> <ul style="list-style-type: none"> - Use of existing contracts - Use of frameworks - Full regulatory procedures - Invitation-only below-threshold tender processes - Advertised below-threshold tender processes - Waivers (by exception) - Emergency procedures (in cases of health and safety emergencies)
Recommended Procurement route	As and when requirements arise discussion will take place between FM and Procurement to agree the recommended procurement route which will be submitted for approval prior to procurement commencement in accordance with Contract Standing Orders.

Which Members have you engaged with and how have they been consulted	Cllr Penberthy – Portfolio Holder. By email 28/5/25. Invited to comment on this business case
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Confirm you have taken necessary Legal advice, is this proposal State subsidy compliant, if yes please explain why.	No issues from this report.
Who is your Legal advisor you have consulted with?	Alison Critchfield

Equalities Impact Assessment completed	Yes
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SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

It is important to identify any revenue implications arising from this capital project, consider responsibilities for asset operation after project completion. Record that project with any implications has been discussed with revenue accountant (add name). If service borrowing and ≤ £200k incl cost centre borrowing charges made to, estimate asset life, annual borrowing charge confirmed by capital accountants.

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	Future Yrs. £	Total £
Various		2,000,000						2,000,000
Total capital spend		2,000,000						2,000,000

Provide details of proposed funding: *Funding to match with Project Value*

Breakdown of proposed funding	Prev. Yr. £	25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	Future Yrs. £	Total £
Corporate Borrowing		2,000,000						2,000,000
Total funding		2,000,000						2,000,000

S106 or CIL (Provide Planning App or site numbers)	
Which alternative external funding sources been explored	
Are there any bidding constraints and/or any restrictions or conditions attached to your funding	
Tax and VAT implications	<p>The VAT implications of this programme will depend on the Council's usage of the property or site on which the works are being undertaken and whether or not this includes a VAT-exempt activity such as receipt of rental income.</p> <p>VAT comments will be provided following receipt of details of the projects considered or approved at each Facilities Management Assurance Board meeting.</p>
Tax and VAT reviewed by	Sarah Scott
Will this project deliver capital receipts? (If so please provide details)	No

REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	£0
Revenue cost code for the development costs	N/A
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	Y/N
Budget Managers Name	Kirstie Spencer/Ciara Holmes

Ongoing Revenue Implications for Service Area								
			25/26 £	26/27 £	27/28 £	28/29 £	29/30 £	Future Yrs.
Service area revenue cost								
Other (eg: maintenance, utilities, etc)			0	0	0	0	0	0
Loan repayment (terms agreed with Treasury Management)			0	0	0	0	0	0
Total Revenue Cost (A)			0	0	0	0	0	0
Service area revenue benefits/savings								
Annual revenue income (eg: rents, etc)			0	0	0	0	0	0
Total Revenue Income (B)			0	0	0	0	0	0
Service area net (benefit) cost (B-A)								
Has the revenue cost been budgeted for or would this make a revenue pressure			As this is to be funded by corporate borrowing, we do not expect any revenue implications, however the FM service will keep this under review and any service borrowing required will need to be met by the FM Service.					
Which cost centre would the revenue pressure be shown			N/A		Has this been reviewed by the budget manager		Y	
Name of budget manager			Kirstie Spencer/Ciara Holmes					
Loan value	£0	Interest Rate	%	Term Years		Annual Repayment	£	
Revenue code for annual repayments			N/A					
Service area or corporate borrowing			Corporate Borrowing					
Revenue implications reviewed by			Nathan Franklin					

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)



Author of Business Case	Date	Document Version	Reviewed By	Date
Kirstie Spencer	27/05/2025	v 1.0	Jens Gemmel	11/06/2025
		v 1.0	Lynn Walter	28/05/2025

SECTION 5: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

1. Approves the Business Case;
2. Allocates £2,000,000 for the project into the Capital Programme; funded by corporate borrowing
3. Authorises the procurement process for works being undertaken under the programme;
4. Delegates the award of contracts to Head of Facilities Management where they would not otherwise have authority to do so.

Councillor Tudor Evans OBE, Leader of the Council		Kirstie Spencer, Interim Head of Service	
Either email dated:		Either email dated:	
Or signed:		Signed: 	
			
Date: 07.07.2025		Date: 28/5/25	