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| Statement of Intent |
| [Project Title] |

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| To deliver maximum value and have the greatest potential for value creation or capture, is critical that projects consider value creation and capture (VCC) opportunities from the beginning of the project. For this reason, the VCC Policy has been designed to shadow the Investment Lifecycle and for Project Sponsors to commence identifying VCC opportunities at the ideation stage of a project or precinct. Developing the Statement of Intent Stage 1 of the Investment Lifecycle Guidelines outline the processes for early scoping and strategic analysis of proposed HVHR projects. A key activity in this stage is the Investment Management Workshops, including investment logic mapping (ILM) and benefit mapping workshops. DPC recommends VCC opportunities are considered at this early stage of project development. This will ensure opportunities are both able to be realised into the project planning and managed through the authorising environment.  The Statement of Intent is the first articulation of the VCC opportunities for a project. Therefore, it should outline the project’s vision and objective and outline the VCC objectives and benefits to be delivered by the project. The template is separated into two sections to provide the reader with an overview of the project and the proposed value creation and capture objectives and benefits.   1. Project Overview – The project overview should provide the reader an understanding of the Project including the project background, problem and proposed solution. Whilst the proposed solution may not be fully defined early context will enable both the project and Government to adequately consider VCC opportunities. 2. Value Creation and Capture – This section should leverage the Project Overview and provide an   The Statement of Intent should be developed following the Investment Management Workshops and in consultation with broader stakeholder departments and agencies. The Statement of Intent should be informed by:   * Government decisions, commitments, policies and legislation relating to the project and site location (including planning policies); * evidence of service demand and/or land use demand; * priorities for the project and site location across government departments; and * policy opportunities and objectives that the Government proposes to pursue as part of a VCC Plan to be developed as part of the full business case.  Using this template This template provides the basic structure of the Statement of Intent, and guidance to help project populate the content. As outlined in the VCC Framework Guidelines, the Statement of Intent is required as a standalone document for Precincts. For capital projects, depending upon the size and complexity of the project, the Statement of Intent content can be included in the Strategic Plan. Please contact DPC for further guidance on using this template.  Please delete the grey guidance and example boxes from the completed template. The completed template should be succinct summary of the project and VCC objectives and should not be more than a few pages long. |

# Project Overview

## Background and Context

*<<Provide project background and building/site context>>*

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| The Statement of Intent is the first articulation of the VCC opportunities for a project. To assist decision makers. This section should describe the background to the project and should provide any further project or site specific information that provides relevant context to assist decision makers assess potential VCC opportunities. Relevant information could include:   * The site layout and geography. * Planning overlays. * Physical features. * Environmental features. * Social amenities.   ***Example:***  *Project background and solution*  *The Department of Health and Human Services is developing a business case seeking funding for the development of a new Melbourne CBD Hospital, including:*  *▪ Construction of a new buildings (above ground) which include additional operating theatres, expansion of the existing ICU, expansion of the acute mental health inpatients unit, clinical support services and a below ground car park, as part of the Main Ward Block.*  *▪ A new 10 story trauma rehabilitation services building on the southern area of the Hospital site and include new and expanded trauma inpatient wards, clinical support services and a second entrance to the hospital.*  *The hospital is a major Victorian health service that provides a comprehensive range of health services in Melbourne’ CBD. Most health services provided in the Melbourne’s CBD are completed at this hospital.*  *As Melbourne’s CBD population has expanded over recent years, the demand for services increases in Melbourne’s CBD. Furthermore, the nature of healthcare and medical technology evolves, this hospital will be critical to enabling the State to continue to deliver high quality health services.* |

## Problem Definition

*<Provide problem definition>*

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| This section should:   * Explain succinctly and in plain English the problem(s) the project will solve, as defined by the IMS workshops, particularly the problem definition workshop, and the ILM.   Describe the cause of the problem(s), who is affected, and how they are affected.  ***Example:***  *Two problems were identified, as outlined below:*   * *Problem 1: Demand / Growth - Melbourne CBD will double in population by 2030 requiring a new hospital to avoid patients being treated later, getting sicker and dying earlier.* * *Problem 2: The operating environment – The way in which health care is delivered both operationally and medically are changing. New hospitals are required to ensure treatment of patients is to the highest world standards.* |

## Benefits Definition

*<Provide benefits definition>*

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| This section should:   * Explain succinctly and in plain English the problem(s) the benefits resolving the problem will deliver, as defined by the ILM, benefit definition workshop and the benefits management plan. * Describe who will benefit and how they will benefit.   ***Example:***  *The benefits of the redevelopment of Melbourne CBD Hospital are:*   * *Improved patient outcomes* * *Ability to meet growing demand* * *Improved patient and staff safety* * *An international standard hospital* |

## Project Objectives

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| This section should explain in plain English the project objectives. These should have been identified and articulated through the project’s ILM, and in the response definition and solution definition workshops.. |

*<Provide project objectives>*

# Value Creation and Capture

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| The Statement of Intent is designed to provide clear, early guidance on the VCC opportunities for the project. Once approved, this provides the authorisation for projects to properly explore VCC opportunities as they develop their VCC Plans as part of the business case development process.  The Investment Management Standard sets out how, through the IMS workshops, projects should define the problem, how the project will resolve the problem, and the benefits that the project will deliver. This will define the project objectives.  However, the focus on problem resolution could result in wider opportunities not being fully explored. These could be opportunities within the project itself, or complementary opportunities that Government may wish to explore. The VCC Framework prompts projects to consider these opportunities. The opportunities can be explored further in the IMS workshops, particularly benefit definition and response definition workshops. The opportunities to deliver additional value and to capture value that the project will take forward are the VCC objectives. |

## Project VCC objectives

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| This section should explain in plain English the VCC opportunities that the project will take forward and develop as part of the VCC Plan and the benefits they will deliver.   * The value creation objectives should identify the areas where the project can create additional value over and above the baseline for the project. * The objectives could be to increase the value benefits identified through the ILM, or it may be to create new benefits that the project would not otherwise deliver. * The opportunities can either be within the scope of the project as defined by the ILM workshops exercise, or could be opportunities to deliver additional benefits through complementary activity that is outside the core project. * Value creation objectives should be set out in a similar way to project objectives and identify the value (or benefits in ILM terminology) that they will deliver. * Value capture objectives should consider opportunities based on the entire value of the benefits delivered by the project, including both the core project benefits and any additional benefits from value creation. * The VCC objectives do not need to specify which VCC mechanisms will be used at this stage, (though they may do so if they have already been identified) as the VCC plan is where individual mechanisms will be considered in more detail. * In developing the VCC objectives, projects should consider the principles for applying VCC as set out in the published Framework document |

### Value Creation objectives

*<Detail project Value Creation objectives>*

### Value Capture objectives

*<Detail project Value Capture objectives>*

## Project VCC Outcomes

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| This section should set out the VCC outcomes the project expects to achieve. The policy outcomes the VCC Framework is intended to achieve is set out in the table below. This section should include:   * Which of the VCC outcomes the project aims to deliver * A brief explanation of how the objectives set out above will deliver the objectives. | |
| Value Creation Outcomes | Value Capture Outcomes |
| * Improved productivity, economic growth, employment and government revenue * Improved access to jobs, education, services, affordable housing and recreation * Increased asset values, including land and business * Unlocked commercial opportunities and development * Increased social and environmental capital * Enhanced public safety and amenity * Improved design quality in the built environment | * + Increased investment and accelerated project delivery   + Increased capacity to fund additional projects and services   + Improved value for money through innovative design, timing and scope infrastructure   + Beneficiaries contributing to project costs in a fair and equitable way * Minimal public debt and safe AAA rating |

### Value Creation outcomes

*<Detail project Value Creation objectives>*

### Value Capture outcomes

*<Detail project Value Capture objectives>*

## VCC Next Steps

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| This section should set out how the project will take forward VCC and develop the strategic VCC plan and subsequently the detailed VCC Plan. The information provided should be proportionate to the size and complexity of the VCC objectives, and the degree to which they can be investigated within the project or require additional resources / funding to pursue. Relevant information may include:   * Timing of VCC Plans and/or business case * Governance of VCC work * Approvals process for the VCC plans |

*<Detail VCC next Steps>*