Guidance for completing the Stage 2 Detailed Business Case - Transformation and Innovation Fund bids over £250,000

The Stage 2 Detailed Business Case should provide the evidence required to assess whether a proposal is strategically aligned, offers value, is affordable and can be delivered successfully.

Applicants should complete all relevant sections and clearly identify where information is based on an estimate or assumption. The level of detail provided should be proportionate to the scale, cost, complexity and risk of the proposal.

Before starting the application, gather the information set out below.

Project details

You will need to provide:

- the **project title**;
- the name of the **project lead**;
- the relevant **department or service**; and
- a concise description of the **purpose of the project**.

The purpose should explain what is being proposed, who or what it will affect, and the principal result the project is expected to deliver.

Case for change

What are we aiming to achieve

Explain the problem or opportunity that has led to the proposal.

Your response should cover:

- the current position;
- the problem, pressure, need or opportunity being addressed;
- why the existing position is no longer sustainable or appropriate;
- what may happen if no action is taken;
- the people, communities or services affected;
- the scale and significance of the issue; and
- the evidence supporting the need for change.

Relevant evidence could include service and financial data, demand information, customer feedback, benchmarking, performance measures, statutory requirements or findings from previous reviews.

Clearly distinguish between verified evidence, estimates and assumptions.

Alignment with Council ambitions and values

Explain how the project supports the Council's ambitions and values.

Applicants should identify how the proposal contributes to:

- the Council's vision for current and future generations;
- relevant Council values;
- the ambition to become a more commercial organisation;
- the Corporate Strategy and relevant well-being objectives;
- the Target Operating Model and the Transformation Strategy;
- financial sustainability; and
- the Commercialisation Strategy.

Do not simply list strategies or objectives. Explain the specific contribution the project will make to each relevant priority.

Alignment with Council's Strategic Objectives

Explain how the project aligns with the Council's Corporate Strategy and key well-being objectives.

Your response should include:

- how the project aligns with the Council's Target Operating Model and transformation agenda
- how the proposal supports financial sustainability and/or supports the Commercialisation Strategy or helps to mitigate a key corporate risk.

Project objectives

Set out the key objectives of the proposal. These may relate to:

- modernising processes and systems;
- improving outcomes for customers and service users;
- increasing income;
- reducing costs;
- generating efficiency savings;
- improving service quality, speed or efficiency; or
- mitigating a significant corporate risk.

Objectives should be specific and measurable. Where possible, identify:

- the intended result;
- the baseline or current position;
- the target to be achieved;
- how achievement will be measured; and
- the anticipated delivery point.

Risk Management

Risks

Identify the key risks that could affect delivery of the project.

Consider both:

- **internal risks**, such as staffing, capacity, skills, governance and procurement delays; and
- **external risks**, such as market demand, supplier capacity, legal constraints or other matters outside the Council's direct control.

Mitigation

For each significant risk, applicants should be ready to explain:

- the nature and potential effect of the risk;
- whether it is within or outside the Council's control;
- the proposed preventative action;
- the contingency response if the risk occurs;
- how the risk will be monitored; and
- who will be responsible for managing it.

Mitigating actions should link directly to the risks identified. The form expects applicants to consider both preventative controls and contingency plans.

Economic case

The economic case assesses the costs and benefits of the proposal to society over the period covered by the proposal. These are distinct from the financial costs falling directly to the decision-maker.

Critical success factors

Identify the conditions that must be satisfied for the project to succeed and deliver real benefits to the Council and its residents.

Critical success factors might relate to:

- achieving the required outcomes;
- affordability and value;
- service quality;
- deliverability;
- timescales;
- capacity and capability;
- stakeholder acceptance;
- technical requirements;
- procurement requirements; or
- legal and regulatory compliance.

Focus on genuine must-haves, rather than general aspirations. These factors should also be used when comparing the available delivery options.

Options and cost-benefit assessment

Cost Benefits

Identify the realistic options available for addressing the need.

For each option, provide:

- a description of the option;
- financial costs;
- non-financial costs;
- financial benefits;
- wider or non-financial benefits;
- principal risks; and
- supporting evidence.

The assessment should identify any less visible costs, such as staff training and ongoing support, and less visible benefits, such as improved public trust or reputation.

The analysis should enable decision-makers to see which option provides the best overall value to the Council and residents.

Where relevant, include a business-as-usual or minimum-change option so that the consequences of not proceeding can be considered alongside the alternative approaches.

Preferred option

Clearly identify the preferred option and explain:

- why it offers the best balance of costs, benefits and risks;

- how it meets the critical success factors;
- how it supports Council priorities and residents' needs;
- why it is preferable to the alternatives;
- whether it is sustainable and scalable;
- what evidence supports the recommendation; and
- what its most significant risks are.

The assessment should be balanced. Applicants should acknowledge the limitations and risks of the preferred option rather than presenting only its advantages.

Procurement & Contracts

Complete the commercial case where delivering the project has procurement implications. This section should demonstrate that the proposal will result in a viable, well-structured and competitively procured solution that complies with relevant procurement requirements.

Procurement strategy

If procurement is required, describe:

- the goods, services, works or specialist expertise to be procured;
- the proposed procurement route;
- whether an open tender, framework agreement, direct award or collaboration with other authorities is proposed;
- how the approach will comply with Council procurement requirements and relevant legislation;
- how competitive pricing, quality and social value will be secured;
- anticipated savings or efficiencies;
- potential procurement risks;
- proposed mitigation measures; and
- the intended commercial and service benefits.

Applicants should engage with procurement colleagues so that the proposed approach, timetable and route are realistic.

Contractual arrangements

Explain the proposed contractual relationship, including:

- who the customer will be;
- whether the customer is an internal service or external client;
- the Council's principal obligations;
- the other party's obligations;
- the anticipated contract length;

- renewal or extension arrangements; and
- review mechanisms.

Where details have not yet been finalised, identify the assumptions being made and the decisions still required.

Charging and income arrangements

Where the project involves charges or income generation, explain:

- what will be charged for;
- who will pay;
- whether charges will be fixed, tiered, subscription-based or dependent on usage;
- the expected level of income;
- how income estimates have been calculated;
- how the approach contributes to financial sustainability; and
- whether external grants, Invest to Save funding or capital allocations will support the project.

Financial case

The financial case should demonstrate that the project is fundable and affordable. It must summarise capital and revenue affordability and identify any additional funding requirement.

Project costs

Provide a full 4-year breakdown of the costs of implementing and operating the project.

This should include, as applicable:

- staffing;
- equipment;
- systems and technology;
- premises or facilities;
- professional or external expertise;
- procurement costs;
- training;
- communications and engagement;
- project and change management;
- maintenance and support;
- contingency; and
- ongoing revenue costs.

Show when each cost will be incurred and provide annual and total figures. The form includes a four-year cost profile. Ensure that the total of the annual figures corresponds with the overall project cost.

Applicants should also clearly state:

- whether costs include VAT;
- the source and basis of estimates;
- any inflation or other assumptions;
- whether costs are capital or revenue;
- which costs are one-off and which are recurring; and
- any costs that may continue beyond the period shown.

Funding already secured

Provide details of all confirmed funding, including:

- the source;
- the amount;
- when the funding will be available;
- whether it is capital or revenue;
- any conditions attached to it; and
- whether the funding is formally approved.

Potential sources identified by the form include revenue growth bids, departmental reserves, the Capital Programme, risk-management funding and external funding. Do not describe funding as secured unless the relevant approval has been obtained.

Additional funding required

Set out the remaining funding requirement by year, including:

- the amount requested from the Invest to Save Fund;
- any funding required from other sources; and
- the total funding gap.

Check that:

Total project costs minus secured funding equals the additional funding required.

Explain how the project would be affected if only part of the requested funding were approved.

Financial benefits

Detail the income and savings expected from the project.

For each financial benefit, provide:

- a description of the income or saving;
- the value expected in each year;
- the affected cost centre or budget;
- the current budget holder; and
- confirmation of whether the budget holder has agreed to the saving

The form requests benefit figures for Years 1 to 4 and asks applicants to identify the affected budget and whether the budget holder has agreed.

Applicants should distinguish between:

- additional income;
- cashable savings;
- cost avoidance;
- efficiencies or productivity benefits; and
- other financial benefits.

State how each estimate has been calculated and avoid double-counting benefits.

Non-financial benefits

Describe the wider value the project will create for services, people and communities.

This might include:

- improved customer or service-user outcomes;
- better service quality;
- quicker or more accessible services;
- improved staff experience;
- increased organisational capacity;
- environmental benefits;
- better use of data;
- reduced risk;
- improved resilience; or
- wider community value.

For each material benefit, identify how it will be measured. This could include a baseline, target, measurement method, reporting frequency and accountable owner.

Benefits Realisation Assessment

If you have you undertaken a Benefits Realisation Assessment and completed the Benefits Realisation Assessment you can upload a copy to support your application.

You may need to speak to the Transformation Team to gauge whether it would be beneficial to complete a Benefits Realisation Assessment

Management case

The management case should demonstrate that the project can be delivered successfully and that suitable arrangements are in place for project, change and contract management, benefits realisation, risk management, monitoring and evaluation.

Project management and governance

Describe the arrangements for managing and governing the project.

Include:

- the proposed governance structure;
- the project sponsor and project lead;
- any board or steering group;
- roles and responsibilities;
- decision-making and escalation arrangements;
- reporting arrangements;
- project assurance; and
- links with wider Council governance.

Include an organisational or governance structure where possible.

Change management

Explain how the organisational and operational changes required by the project will be managed.

Consider:

- the services, teams and stakeholders affected;
- engagement and consultation;
- leadership and sponsorship;
- communications;
- training and workforce development;
- changes to roles, processes or culture;
- resistance to change;
- transition arrangements; and
- associated change-management costs.

The form specifically asks for the proposed approach to effective change management and organisational culture change, including associated costs.

Benefits management

Explain how expected benefits will be managed and delivered.

Applicants should identify:

- each benefit;
- the baseline position;
- the expected target;
- the benefit owner;
- how and when it will be measured;
- dependencies affecting delivery; and
- the reporting and review arrangements.

Risk management

Describe how risks will be managed during implementation and following implementation.

This should cover:

- how risks will be identified and assessed;
- risk ownership;
- monitoring and escalation;
- review frequency;
- proposed controls and mitigations;
- contingency arrangements; and
- associated risk-management costs.

Monitoring during implementation

Explain how delivery progress will be monitored.

Include:

- key milestones;
- delivery checkpoints;
- performance measures;
- financial monitoring;
- progress-reporting arrangements;
- end-of-stage assessments;
- tolerances for cost, time and quality; and

- the action to be taken if delivery moves outside agreed tolerances.

Post-implementation evaluation

Explain how the effectiveness of the project will be assessed after implementation.

Set out:

- what will be evaluated;
- when evaluation will take place;
- who will conduct it;
- what evidence will be collected;
- how actual costs and benefits will be compared with the business case; and
- how lessons will be captured and shared.

The form requires details of how the effectiveness of the proposal will be measured after establishment.

Contingency and exit arrangements

Explain what will happen if:

- implementation costs or timescales exceed agreed tolerances;
- expected income or savings are not achieved;
- demand is lower than forecast;
- delivery becomes unviable; or
- the proposed service or entity fails following establishment.

Include the circumstances that could trigger contingency or exit arrangements, who would make the decision, and how financial, contractual, workforce, customer and service implications would be managed. The form asks for both implementation-stage contingency arrangements and a post-establishment exit strategy.

Conclusions and matters for consideration

Summarise:

- the case for proceeding;
- the preferred option;
- the principal costs and benefits;
- the funding requirement;
- the main risks;
- the project's deliverability;
- any outstanding uncertainties; and
- the decision or approval being requested.

Use the salient issues section to draw attention to any unresolved, sensitive or particularly significant matters that decision-makers need to consider.

Final checks before submitting

Before submission, ensure that:

- the case for change is supported by evidence;
- objectives and intended outcomes are measurable;
- realistic alternatives have been assessed;
- the preferred option is supported by the options analysis;
- all capital, revenue, one-off and ongoing costs are included;
- annual figures correspond with overall totals;
- secured funding is distinguished from funding still required;
- income and savings assumptions are explained;
- relevant budget holders have been consulted;
- financial and non-financial benefits are clearly separated;
- risks are linked to controls, owners and contingency arrangements;
- procurement colleagues have been consulted where appropriate;
- governance, monitoring and evaluation arrangements are clear;
- supporting appendices are referenced consistently; and
- the conclusion states precisely what decision or approval is being requested.