

## OUTLINE KEY STAGE APPROACH USING THE 5 CASE MODEL

### 1. Asset Management Programmes

- 1.1 All investment proposals for asset management programmes will be submitted to Council in the form of an Impact Analysis Report which will profile the impact of investment proposals on the assets.
- 1.2 Individual Impact Analysis Reports will be considered by Council in the context of the Strategic Planning Framework and the opportunities to maximise delivery of strategic objectives.
- 1.3 Council will decide on the most appropriate level of funding for the asset management programmes – **this is Gateway 0 for investment proposals.**

### 2. All other Investment Proposals

- 2.1 Investment proposals will be initiated through the submission of a Strategic Business Case (SBC) to Council. An SBC is a relatively high-level document whose focus is on the strategic rationale for undertaking the project.
- 2.2 The proposal will be considered in the context of the Investment Blueprint principles and the opportunities to maximise delivery of strategic objectives.
- 2.3 At initial submission stage an investment proposal focusses on the delivery of outcomes rather than on funding. A funding model will be required to be developed as part of the overall development of the investment proposal.
- 2.4 Council approval of an SBC provides authorisation for the development of an Outline Business Case (OBC) – **this is Gateway 1 for investment proposals**
- 2.5 The development of the OBC will be undertaken in line with HM Treasury's Green Book approach (5 Case Model).
- 2.6 The OBC further develops all five cases for the project,

Case	OBC Requirements
<b>Strategic</b>	A detailed description of the business need driving the investment requirement (defining the proposal's objectives).
<b>Economic</b>	An appraisal of a number of options which could address the business need – each option being robustly costed. From this appraisal, a recommendation of the option which has the greatest chance of delivering the proposal's objectives thereby addressing the business needs.
<b>Commercial</b>	The ability of the market to deliver the recommended option and an assessment of the most effective procurement method for the Council.
<b>Financial</b>	The best estimate of costs associated with the proposal – both initial capital cost and ongoing revenue costs to deliver the proposal's objectives, and an assessment of the affordability of the proposal. <b><i>It should be noted that these will be estimated costs and will be subject to change as the projects is developed.</i></b>
<b>Management</b>	Describes the individual project governance and tolerances which will operate within our approved project management framework.

- 2.7 A completed OBC, with a recommended delivery option, will be submitted for consideration and approval by Council - **this is Gateway 2 for investment proposals**
- 2.8 Council approval of an OBC provides authorisation for the development of a Full Business Case (FBC). This marks the point where an investment proposal is considered to be a project.
- 2.9 A completed FBC represents a project which is ready to be procured (go to the market). Alongside the completed FBC will be final technical and financial documents along with associated project management documentation such as risk and issue logs.
- 2.10 Developing an FBC will take time and elements of the project will change, for example, the scope of the project may change which in turn will impact on costs and on delivery time.
- 2.11 The Management Case of the OBC will describe how such changes are managed. The approach will be risk based: where changes are within agreed tolerances, they will be managed by the Project Board; where changes are outwith agreed tolerances, they will be submitted to Council for consideration. **– this is an interim (reactive) Gateway for projects.**
- 2.12 Likewise, when completed, an FBC will be considered in a similar risk-based approach. Where appropriate, the FBC will be approved by the project Board, otherwise the FBC will be approved by Council (SP&R) – **this is Gateway 3 for projects.**

- 2.13 With the approval of the FBC, the project moves to construction/ implementation phase which will be managed in line with our approved project management framework. Where there are changes to scope/budget or timeline, during this phase: within agreed tolerances, they will be managed by the Project Board; where changes are outwith agreed tolerances, they will be submitted to Council for consideration. – **this is an interim (reactive) Gateway for projects.**
- 2.14 As a project approaches completion, the Project Team and Board will begin preparation for taking ownership of the project output (new asset). This will focus on the readiness of the Council to accept and go live with the asset, including any required business changes, along with the arrangements for management and ongoing maintenance of the asset. This is an operational function and unless there are issues which cannot be managed operationally, it will be undertaken by the Project Board: where the Project Board is unable to manage the issues, they will be submitted to Council (SP&R) for consideration - **this is Gateway 4 for projects.**
- 2.15 To establish how successful an investment has been in delivering its expected objectives, a benefits realisation exercise should be undertaken. The timing of this will vary depending on the anticipated timescales contained within the project's FBC. The resulting benefits realisation report will be utilised to inform future investment proposals and where appropriate will be submitted to Council (SP&R) for review – **this is Gateway 5 for projects**