

## ABSTRACT

This document provides guidance based on HM Treasury's Green Book and WMCA Requirements to assist in the writing of a Strategic Outline Case (SOC)

## Programme Assurance & Appraisal

October 2024

## VERSION CONTROL SHEET

| Version No. | Date          | Author                        | Changes  |
|-------------|---------------|-------------------------------|--|
| V1.0        | June 2021     | Programme Assurance Appraisal | First Launch of Business Case Guidance   |
| V2.0        | March 2023    | Programme Assurance Appraisal | Planned update to reflect WMCA and Green Book Requirements   |
| V3.0        | October 2023  | Programme Assurance Appraisal | Planned yearly update including but not limited to; addition of Inclusive Growth and Equalities Section, more detailed guidance on Stakeholder Involvement, Critical Success Factors and Monitoring and Evaluation |
| V3.1        | February 2024 | Programme Assurance Appraisal | Update to stakeholder information and improved guidance on Inclusive Growth and Equalities Section   |
| V4.0        | October 2024  | Programme Assurance Appraisal | Enhanced stakeholder information, improved formatting across documents and governance Board Report requirement added to appendices   |

| Version No. | Date          | Approver                      | Approvals                                       |
|-------------|---------------|-------------------------------|---|
| v1.0        | June 2021     | Programme Assurance Appraisal | Working Group Activity                          |
| V2.0        | March 2023    | Programme Assurance Appraisal | Task and Finish Group Activity                  |
| V3.0        | October 2023  | Programme Assurance Appraisal | Programme Appraisal                             |
| V3.1        | February 2024 | Programme Assurance Appraisal | Programme Appraisal & Centre of Excellence      |
| V4.0        | October 2024  | Programme Assurance Appraisal | Programme Assurance and Appraisal Working Group |

## RELATED DOCUMENTS

---

| Reference      | Related Documents            |
|----------------|------------------------------|
| WMCA-SAF-TP016 | SOC - Strategic Outline Case |
|                |                              |
|                |                              |
|                |                              |

## CONTENTS

---

|  |    |
|--|----|
| VERSION CONTROL SHEET .....  | 0  |
| RELATED DOCUMENTS .....  | 2  |
| II PROJECT DETAIL .....  | 5  |
| III EXECUTIVE SUMMARY .....  | 6  |
| IV FINANCIAL SUMMARY .....   | 6  |
| 1 - STRATEGIC CASE .....   | 7  |
| 1.1 STRATEGY AND POLICY ALIGNMENT .....                              | 7  |
| 1.2 ORGANISATIONAL OVERVIEW .....                                    | 7  |
| 1.3 EXISTING ARRANGEMENTS AND BUSINESS NEEDS .....                   | 7  |
| 1.4 PROJECT SPENDING OBJECTIVES AND ALIGNMENT TO WMCA AIMS .....     | 8  |
| 1.5 INCLUSIVE GROWTH AND EQUALITIES .....                            | 9  |
| 1.6 MAIN BENEFITS .....  | 9  |
| 1.7 KEY RISKS .....  | 10 |
| 1.8 CONSTRAINTS .....  | 11 |
| 1.9 DEPENDENCIES .....   | 11 |
| 2 - ECONOMIC CASE .....  | 12 |
| 2.1 CRITICAL SUCCESS FACTORS (CSFs) .....                            | 12 |
| 2.2 LONG-LIST OF OPTIONS .....                                       | 12 |
| 2.3 SHORT-LISTED OPTIONS AND APPRAISAL .....                         | 13 |
| 2.4 PREFERRED WAY FORWARD (PWF) .....                                | 14 |
| 3 - COMMERCIAL CASE .....  | 15 |
| 3.1 OVERVIEW OF COMMERCIAL CASE IN SUPPORT OF PREFERRED OPTION ..... | 15 |
| 3.2 OVERVIEW OF THE COMMERCIAL STRATEGY .....                        | 15 |
| 4 - FINANCIAL CASE .....   | 16 |
| 4.1 CAPITAL FUNDING AND REVENUE FUNDING STATEMENT .....              | 16 |
| 4.2 OVERVIEW OF FUNDING AND AFFORDABILITY SUMMARY .....              | 17 |
| 4.3 COST BREAKDOWN .....   | 17 |
| 5 - MANAGEMENT CASE .....  | 18 |
| 5.1 MANAGEMENT AND GOVERNANCE .....                                  | 18 |
| 5.2 PROJECT SCHEDULE FOR DELIVERY .....                              | 18 |
| 5.3 PROJECT ORGANOGRAM .....   | 19 |
| 5.4 PROJECT DELIVERY ROLES AND RESPONSIBILITIES .....                | 19 |
| 5.5 LESSONS LEARNT .....   | 20 |
| 5.6 MONITORING AND EVALUATION .....                                  | 20 |

|   |    |
|---|----|
| 6 - MANDATORY APPENDICES .....                            | 21 |
| 6.1 RISK REGISTER .....                                   | 21 |
| 6.2 INITIAL STAKEHOLDER AND COMMUNICATIONS STRATEGY ..... | 22 |
| 6.3 WRITTEN CONFIRMATION/S OF CONFIRMED FUNDING.....      | 23 |
| 6.4 PROJECT SCHEDULE .....                                | 23 |
| 7 - FURTHER READING AND RESOURCES .....                   | 23 |
| 7.1 PUBLIC .....  | 24 |
| 7.2 WMCA ONLY .....                                       | 24 |

## I INTRODUCTION

---

A key principle that underpins the Single Assurance Framework (SAF) is delivering enhanced, evidenced based decision-making across everything that the WMCA does; this requires ensuring that decision-makers are as informed as they can be with the right information.

To support this approach the SAF requires the development of business cases using the 'Five Case Model' as outlined within the HM Treasury Green Book, in a scalable and proportionate way that incorporates WMCA requirements such as alignment to Strategic Objectives, Policy and Inclusive Growth.

### **A well-prepared Project Business Case:**

- enables the organisation and its key stakeholders to understand, influence and shape the project's scope and direction early in the planning process
- assists decision-makers to understand the key issues, the available evidence base and to avoid committing resources to schemes that should not proceed
- demonstrates to senior management, stakeholders, customers and decision makers the continuing viability of the project, and provides the basis for management, monitoring and evaluation during and after implementation

This guidance document sets out the requirements that need to be delivered when submitting a Strategic Outline Case (SOC). The guidance is designed to help with the completion of the SOC by explaining what the WMCA and Green Book standards are that will be appraised, assessed, and considered through the decision-making process.

### **The Purpose of a Strategic Outline Case**

Scoping the proposal and preparing the Strategic Outline Case (SOC) is the first stage in developing the project business case for a significant scheme using the Five Case Model. The purpose of the SOC is to establish the Case for Change and to provide a Preferred Way Forward for senior management's approval, prior to more detailed planning and development stage(s).

## II PROJECT DETAIL

---

Ensure Table 1 and 2 are completed in full, including the names of the key stakeholders who have input and been sighted on the submitted business case. The WMCA Project Code can be obtained from the WMCA Programme Sponsor. Note, a level of input from the Senior Responsible Owner (SRO), WMCA Executive Director, Governance Services, Finance Lead, Procurement Lead and Legal Representative is mandatory, and the business case submission will not be accepted until this detail is provided. This engagement it to happen prior to formal submission to Programme Assurance and Appraisal. If the business case has been submitted by a non-WMCA entity i.e., a Local Authority, the stakeholders listed can be non-WMCA employees unless labelled as WMCA within the table.

The WMCA Monitoring and Evaluation contacts are:

CRSTS: [TransportPlanningAssurance@tfwm.org.uk](mailto:TransportPlanningAssurance@tfwm.org.uk)

Other: [CorporateMonitoringEvaluation@wmca.org.uk](mailto:CorporateMonitoringEvaluation@wmca.org.uk)

### III EXECUTIVE SUMMARY

---

Complete a one-page overview of the project that is a maximum of 500 words.

This summary should include the following as a minimum:

- **Project Description** – A well-written description makes it possible for the intended audience (e.g., the decision-makers and reviewers) to understand the concept, context, and rationale of the proposed project.
- **Target Objectives** – State the ‘big picture’ goals that are planned to be achieved (e.g., improving air quality).
- **Associated Outputs** – State the tangible and direct results of the project (e.g., 250 metres of new cycle lane).

### IV FINANCE SUMMARY

---

Complete Table 3 to provide a brief financial summary of the project.

Definitions for each line required are:

- **Total Project Cost** - The sum of the entire project cost (as known), including all revenue and capital costs, with their funding sources identified. This may include costs that will be met by others external to the WMCA.
- **WMCA Funding Requested** - The amount of funding being requested from WMCA (i.e., the financial ask of this specific business case).
- **WMCA Funding Source** - State the funding source of the WMCA Funding being requested (e.g., City Region Sustainable Transport Settlement – CRSTS)
- **Funds Secured** -The amount of funding that has already been officially secured; this should be demonstrated by confirmation of funding appended to the business case.
- **Funds Unsecured** - The total amount of funding that has not yet been officially secured, this should include the financial ask of this business case (i.e., the amount in the WMCA Funding Requested column).

*Example Table (3) for Financial Summary*

| Finance Summary                | SOC (£)    |
|--------------------------------|------------|
| <b>Total Project Cost:</b>     | £1,000,000 |
| <b>WMCA Funding Requested:</b> | £100,000   |
| <b>WMCA Funding Source:</b>    | CRSTS      |
| <b>Funds Secured:</b>          | £0         |
| <b>Funds Not Secured:</b>      | £1,000,000 |

## 1 - STRATEGIC CASE

---

The purpose of the strategic dimension of the business case is to make the Case for Change and to demonstrate how it provides strategic fit.

### 1.1 STRATEGY AND POLICY ALIGNMENT

**Explain how the project supports the existing policies and strategies of the organisation, and the way other programmes and projects within the strategic portfolio are linked. In addition, comment on how Local, Regional, National Policy and other organisations' strategies are supported. Attach relevant documents, if applicable.**

Explain how the project supports the existing policies and strategies of the organisation and will assist in achieving the business goals, strategic aims and business plans of the organisation.

This section should set out:

- All international, national, regional, sector and local policies, initiatives and targets, as required, first focussing on those which are most relevant to the project.
- The relationship between the proposed project, and other programmes and projects within the organisation's strategic portfolio, including relevant milestones and timescales on the critical path for delivery.
- Any acknowledgement of aligned strategy/policy still being developed. Whilst valid to note any emerging policies and plans (particularly of local and regional importance), limited weighting should be applied due to their status.

The above information may be gleaned from existing documents, including organisational strategies and business plans. These should be briefly summarised (with excerpts) or attached to the business case.

### 1.2 ORGANISATIONAL OVERVIEW

**Provide a brief overview of the organisation(s) making the Case for Intervention and Change.**

Provide an overview that introduces the organisation to the reader of the business case.

The key area to focus upon is the purpose of the organisation, including its vision and mission statements, strategic goals, business aims and key stakeholders.

### 1.3 EXISTING ARRANGEMENTS AND BUSINESS NEEDS

**Provide a summary of the organisation's current service model referring to its Business as Usual (BAU) offer, this may also include elements of services provided within the organisation's external environment. Also, state the deficiencies associated with the current provision and the implications if the project does not proceed.**

Provide a summary that details the current situation and range of services presently being provided by the organisation. This includes detail on key customers, service levels and current demand.

Evidence the future needs of the organisation, what is needed to close the gap to meet objectives, and the impact if the project is not implemented. This helps establish a compelling Case for Change based on business needs, rather than the contention it is 'a good thing to do'.



## 1.4 PROJECT SPENDING OBJECTIVES AND ALIGNMENT TO WMCA AIMS

Specify the projects spending objectives and how they will be measured within the table below. They should focus on strategic rationale for intervention and the outcomes and benefits which support the aligned policies and strategies.

Objectives should be; bound by strategic context for project; focus on needs, not the solution; developed to facilitate realistic options for appraisal and SMART (Specific, Measurable, Achievable, Realistic and Time-Dependent). They will address at least one of the generic drivers for spend - improved effectiveness, efficiency, economy, compliance, replacement. Include objective(s) to reach the next business case stage e.g., OBC and entire project. Note, all projects need to consider Inclusive Growth and its contribution to Net Zero.

The project's spending objectives should be:

- Aligned with the WMCA Strategic Objectives - there should be at least one objective for both Inclusive Growth and contribution to Net Zero
- SMART. The setting of clear, concise and meaningful SMART objectives is an iterative process and will depend upon the nature and focus of the project. **It is noted that at SOC stage the objectives may not be wholly SMART, it is envisaged that by FBC stage they will be better defined.**
- Customer-focused and distinguishable from the means of provision, so focus is on what needs to be achieved rather than the potential solution
- Not be so narrowly defined as to preclude important options, nor so broadly defined as to cause unrealistic options to be considered at the options appraisal stage
- Focused on the vital outcomes, since a single or large number of objectives can undermine the clarity and focus of the project.

The project's spending objectives will typically address one or more of the following five generic drivers for intervention and spend. These are:

1. Improve the quality of public services in terms of the delivery of agreed outcomes (**effectiveness**). For example, by meeting new policy changes and operational targets.
2. Improve the delivery of public services in terms of outputs (**efficiency**). For example, by improving the throughput of services whilst reducing unit costs.
3. Reduce the cost of public services in terms of the required inputs (**economy**). For example, through 'invest to save' schemes and spend on innovative technologies
4. Meet statutory, regulatory or organisational requirements and accepted best practice (**compliance**). For example, new health and safety legislation or building standards.
5. Re-procure services in order to avert service failure (**replacement**). For example, at the end of a service contract or when an enabling asset is no longer fit for purpose.

*Example Table (4) for Project Spending Objectives and Alignment to WMCA Aims:*

| # | Objective  | Baseline (Quantitative)                                     | Target                                      | Specific actions to achieve objective          | How will the customer be impacted (i.e., outcomes) | Alignment to WMCA aims and objectives                           |
|---|--|---|---|--|--|---|
| 1 | Contribute towards reducing unemployment in the city of Birmingham | Current unemployment level in the area is 15.3% as Nov 2024 | Improvement unemployment by 2%, by Dec 2025 | Delivery of 12 digital bootcamps in Birmingham | Economy  | Promote inclusive economic growth in every corner of the region |

## 1.5 INCLUSIVE GROWTH AND EQUALITIES

Explain how this project will contribute to inclusive growth and equality within the West Midlands. If WMCA internal, the WMCA's Inclusive Growth Framework can be found [here](#). To add, state how health inequalities and equalities (protected characteristics as defined by the Equality Act) have been considered in the production of this business case. This can be done using the WMCA Health and Equity Impact Assessment (HEQIA) Tool found [here](#) for internal staff, or other tools available within Local Authorities. If you are external to WMCA but wish to use our HWQIA Tool, contact [equalitiesteam@wmca.org.uk](mailto:equalitiesteam@wmca.org.uk).

Provide a written explanation that explains how the project contributes to both inclusive growth and equality. This can be done using the WMCA tools provided within the links above (links available for WMCA internal applicants), or other tools available within Local Authorities. Once the tool/s are completed, the output should be used to shape the business case i.e., what steps or actions have been taken in response to the results. If you are external to WMCA but wish to use our HWQIA Tool, contact [equalitiesteam@wmca.org.uk](mailto:equalitiesteam@wmca.org.uk).

- The Inclusive Growth Framework poses a set of considerations and provides guidance and evaluation criteria to help assess whether a project will directly or indirectly contribute to achieving the [inclusive growth fundamentals](#). Please refer to the [Inclusive Growth Toolkit](#) page for further information and updates.
- The Health and Equity Impact Assessment (HEQIA) tool, identifies how equalities and health inequalities have been considered, highlighting any likely positive, neutral and/or negative impacts, and in the case of the latter, what steps or actions can be taken to mitigate negative impact(s).

## 1.6 MAIN BENEFITS

Specify the main benefits associated with the achievements of the project's spending objectives by beneficiary. Distinguish benefits from outcomes.

Complete Table 5 to specify the main benefits of the project to be delivered by:

- Benefit – describe the benefit that will be realised because of the project.
- Benefit Classification – use dropdowns to select from different classes of benefit:
  - a) **Cash releasing (CRB)** - Reductions in operating cost; Increases in revenue stream.
  - b) **Non-cash releasing (non- CRB)** - Re-deployment of existing resources, including staff and infrastructure onto other business; Improved efficiency.
  - c) **Quantifiable (QB)** - Improved social outcomes; Improved retention of trained staff; Customer satisfaction.
  - d) **Qualitative (Qual)** - Widening the cultural appreciation of school children.
- Benefit Type – select the type of benefit from the following 3 categories:

- 1) **Direct public sector benefits (to originating organisation):**
  - a. Cash releasing benefits (CRB)
  - b. Monetisable non-cash releasing benefits (non-CRB)
  - c. Quantifiable but not readily monetisable benefits (QB)
  - d. Qualitative but not readily quantifiable benefits (Qual).
- 2) **Indirect public sector benefits (to other public sector organisation):**
  - a. Cash releasing benefits (CRB)
  - b. Monetisable non-cash releasing benefits (non-CRB)
  - c. Quantifiable but not readily monetisable benefit (QB)
  - d. Qualitative but not readily quantifiable benefits (Qual).
- 3) **Wider benefits to UK society (e.g., households, individuals, businesses)**
  - a. Monetisable, including cash benefits
  - b. Quantifiable but not readily monetisable benefits
  - c. Qualitative but not readily quantifiable benefits.

- Beneficiary(s) – expanding on the selected Benefit Type selected, detail to whom the benefit will be of value.

*Example Table (5) for Main Benefits:*

| # | Benefit                                | Benefit Classification       | Benefit Type                 | Beneficiary(s)                                       |
|---|--|------------------------------|------------------------------|--|
| 1 | Reduction of Co2 in Dudley City Centre | Non-cash releasing (non-CRB) | Wider benefits to UK society | Those who live and/or work within Dudley City Centre |

## 1.7 KEY RISKS

**Specify the main risks associated with the achievement of the project’s objectives, along with the key activity aimed at either managing the cause or mitigating the effects of each risk.**

Use Table 6 to specify the most significant / highest rated risks associated with the achievement of the project’s outcomes and the key activity for mitigation and management of said risks.

These risks should be extracted from the more comprehensive Risk Register appended to the SOC, which should follow the standard WMCA Risk Register template and should be developed and used in accordance with the WMCA Risk Management Framework.

All the information necessary to understand how Risk Management works at the WMCA can be found in the Risk Management Framework here: <https://intranet.wmca.org.uk/section/resource-hub/finance-and-business-hub/business-improvement-team/risk-management>. This includes the scope of the framework, the roles and responsibilities, and the process we expect to be followed in identifying, assessing, managing, and escalating risks.

For any questions on the application of risk management please contact Peter Astrella, the WMCA Risk Manager, [peter.astrella@wmca.org.uk](mailto:peter.astrella@wmca.org.uk)

*Example Table (6) for Key Risks:*

| ID  | Risk  | Impact (1-5) | Probability (1-5) | RAG Rating | Risk Owner    | Mitigation                                 |
|-----|---|--------------|-------------------|------------|---------------|--|
| 001 | Discovery of Japanese knot weed along the desired metro route | 4            | 2                 | Medium     | S Jones (SRO) | Land surveys to be completed in March 2025 |

## 1.8 CONSTRAINTS

**Specify any constraints that have been placed on the project.**

Detail any constraints that have been placed on the project i.e., the limitations that may be faced.

Constraints are the external conditions and agreed parameters within which the programme must be delivered, over which the *project* has little or no control. These can include policy decisions, ethical and legal considerations, rules and regulations, and timescales within which the project must be delivered. Affordability constraints may include agreed limits on capital and revenue spend.

Constraints on the project need to be managed from the outset, since they will constrain the options that can be considered for project delivery.

## 1.9 DEPENDENCIES

**Specify any dependencies outside the scope of the project upon which the success of the project is dependent.**

Detail any dependencies outside the scope of the project upon which the ultimate success of the project is dependent i.e., things that must be in place/managed elsewhere.

These should include:

- **Inter-dependencies between other programmes and projects.** These are the dependencies that are external to the project but are still within the perimeters of the organisation's project and project management environment, and most likely linked to the scope of another project or project within the strategic portfolio.
- **External dependencies outside the project environment.** These are the dependencies that extend beyond the boundaries of all the projects into other parts of the organisation or even other organisations. These dependencies are outside the control of the project management environment; potentially in business operations, partnering organisations and include external dynamics, such as legislation, strategic decisions and approvals.

## 2 - ECONOMIC CASE

The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to society, including wider social and environmental effects.

### 2.1 CRITICAL SUCCESS FACTORS (CSFs)

**List the Critical Success Factors i.e., what must this project achieve to be successful?**

**These are not outcomes or objectives; they are the attributes essential for successful delivery of the project.**

Complete Table 7 with the following: Critical success factors are those factors that if not met, would mean the project had not been successful. They can be used to eliminate options from the long-list, even those options that perform well financially or economically but do not satisfy all CSFs.

- An optional, 'nice to have' or non-critical output or outcome should not be listed as a CSF.
- CSFs are not the same as project outputs, objectives or outcomes, which should still be defined separately.
- CSFs should be set at the SOC stage, with further guidance is available at this stage of the SAF process.
- Each CSF should indicate how it aligns to the project objectives - showing how meeting the Objectives contributes to meeting the CSF. This means that each CSF should align to one or more objective.
- When considering a projects CSFs, a starting point in order to ensure a broad range of attributes essential for delivery are identified consider the following themes; Strategic Fit and Business Need, Value for Money, Supplier Capacity and Capability, Affordability (example #1 below), and Achievability.

*Example Table (7) for CSF's:*

| # | Critical Success Factor                   | Alignment to Project Objectives  |
|---|---|--|
| 1 | Deliver within available funding envelope | Objective 1. Deliver 1000 units by 2025;<br>Objective 2. Enable 3000 customer interactions per month by 2025 |

### 2.2 LONG-LIST OF OPTIONS

**Determine and long-list options and undertake SWOT analysis.**

Complete Table 8 with the following:

The long-list of options should consist of a wide range of options that are broad enough to capture all potential ways to meet the project objectives and CSFs, but without being unrealistic.

The long-list should not consist solely of variations of a Preferred Option, but should be compiled before the Preferred Option is selected to give a range of possible solutions. This may result in options which are vastly different "on the ground" but which meet the project objectives and CSFs.

One possible way of producing a long list is to consider a range of criteria (e.g., scope, delivery method, finance route, timing etc), and then consider a BAU, minimum, central and maximum solution for each criterion. This will give a 'matrix' of options from which a long-list can be chosen.

The "International Guide to developing the project business case" on the UK Government provides more details of how to apply this method.

*Example Table (8) for Long-List SWOT Analysis:*

| # | Option Description | Advantages        | Disadvantages             | Meets Objectives and CSFs? |
|---|--------------------|-------------------|---------------------------|----------------------------|
| 1 | BAU                | No changes needed | Doesn't meet growth plans | No                         |

## 2.3 SHORT-LISTED OPTIONS AND APPRAISAL

Describe the short-list to be examined in further detail at the next business case stage. This should include a minimum of 3 to 5 options as listed below. Indicative Present Value of Benefits (PVB), Present Value of Costs (PVC) and Net Present Social Value (NPSV) [NPSV = PVB – PVC; BCR = PVB/PVC] should be provided for the proposed SOC short-list. Where this is not possible for all options, please provide values for the Preferred Way Forward at minimum and provide rationale as to why calculations could not be completed.

**Note, this information should align to the long-listed options outlined in Section 2.4 of this SOC.**

Complete Table 9 with the following: From the long list, select between 3 and 5 possible options to consider in more detail. This is known as 'Short-listing', and should be completed using the project objectives and CSFs as filtering criteria to select options. These options should include the BAU (which is used as a baseline), a do-minimum and at least two others. The option which appears to be the best solution at this stage is identified as the Preferred Way Forward (PWF).

Suitable Risk and Optimism Bias allowances should be included in your various option costs and/or benefits for risk and optimism bias.

Care should be taken to avoid 'retrofitting' options that have been pre-determined. Where this cannot be avoided, please contact [programmeassuranceandappraisal@wmca.org.uk](mailto:programmeassuranceandappraisal@wmca.org.uk) for further guidance. A broad, indicative, appraisal is then carried out using the available information to provide further information on each option.

At this stage, it is not essential for the Preferred Way Forward to have the highest BCR, although it should be within the range of the other options. A more detailed appraisal will be carried out at the OBC stage to confirm the option which offers the best Value for Money (VfM).

*Example Table (9) for Short-List Options:*

| Label | Description                                  | Indic. NPSV | Indic. PVC | Indic. BCR |
|-------|--|-------------|------------|------------|
| BAU   | Carry on with existing in-house arrangements | £2.000m     | £1.800m    | 2.11       |

**Provide quantified benefits for selected measures, noting the value that has been included in the Social Value and BCR.** Note that in a Green Book analysis, GVA/GDP is not included in the BCR calculation but is still a relevant measure to report in the business case.

Complete Table 10 as below, if your project does not impact on a specific measure, insert a 0.

*Example Table (10) for Quantified Benefits:*

| # | Item | Quantified Benefit                  | Social Benefit included in BCR |
|---|------|-------------------------------------|--------------------------------|
| 1 | GVA  | £2m increase in WM GVA over 3 years | N/A                            |

## 2.4 PREFERRED WAY FORWARD (PWF)

**Outline the recommended Preferred Way Forward as identified in the options appraisal above (scope, solution, service delivery, implementation and funding) for the project.**

Provide more detail on the PWF. If the matrix method (Options Framework) was used to develop the long-list and short-list, the detail in this can be used to complete this section.

### 3 - COMMERCIAL CASE

---

The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers.

Although the Commercial Case is not expected to be matured at SOC stage, the nature of work should be identified to inform the next stage i.e., sound out the market and inform the procurement process in the next stage (OBC).

#### 3.1 OVERVIEW OF COMMERCIAL CASE IN SUPPORT OF PREFERRED WAY FORWARD

**State the ability of the marketplace to provide the required goods or services and the attractiveness of this proposal to potential service providers.**

The overview should include:

- An assessment of the ability of the current marketplace to provide the required goods and services needed to deliver to project.
- Evidence the level of attractiveness of any future Deal to potential service providers, including some analysis of risk apportionment and supporting charging mechanisms
- Demonstrate input from procurement and legal team during the initial stages of project development, this includes any implications on HR and/or IT

#### 3.2 OVERVIEW OF THE COMMERCIAL STRATEGY

**Reference the organisations Commercial Strategy and how public value will be achieved through economies of scale.**

Discuss how the project will utilise the organisations current Commercial Strategy throughout development and how economies of scale will be achieved in a bid to provide public value.



## 4 - FINANCIAL CASE

---

The purpose of the financial dimension of the business case is to ensure the project is affordable and is fundable over time. This section should be completed either by, or in consultation with, Finance and Accounting personnel. All figures need to be unrounded and there should be full alignment with the Financial Summary provided in Table 3.

Some key points to consider when writing this section:

- Demonstrate that costs have been ratified.
- Nominal costs (including inflation) are not real costs.
- This section should provide a cost breakdown for expenditure for which funding is requested from this submission i.e., if you are asking for £100,000 for this SOC, what are the line items of expenditure.
- Inclusion of financial contingency and the % of the total ask should be made clear.
- Where possible, demonstrate how benchmarking has been used to ensure reasonable cost estimates have been used (cost/unit.)
- Provide commentary to supplement tabular data and highlight assumptions used and sources of uncertainty
- Work with finance colleagues to develop and maintain a full financial profile for the project.

### 4.1 CAPITAL FUNDING AND REVENUE FUNDING STATEMENT

**A summary of the overall affordability of the project and the funding that has been secured to date must be provided.**

**All secured funding identified below should be verified by a written confirmation attached to this SOC with details of any conditions etc. Note that any funding requested via this SOC is “unsecured” until approval of the Full Business Case (FBC).**

Complete Table 11 and 12 to provide detail on the overall funding package. Note, funding can only be deemed secured if written confirmation is available and attached with the SOC.

Table 12 should include a target date of a decision of funds should be listed against all unsecured funding e.g., decision due March 2026 and should detail any conditions attached to the secured funds e.g., spend by March 2027.

Some definitions to help with the completion of Tables 11 and 12:

- **Gross costs** - The total costs, expenses, liabilities, Taxes and other expenditures.
- **Revenue costs** - Total cost incurred to obtain a sale and the cost of the goods or services sold.
- **Capital costs** - Fixed, one-time expenses incurred on the purchase of land, buildings, construction, and equipment used in the production of goods or in the rendering of services. In other words, it is the total cost needed to bring a project to a commercially operable status.
- **Development funding** - Costs that are needed to reach the next business case stage i.e., feasibility studies, design works and creation of an Outline Business Case (OBC)

You can use revenue funding to fund capital expenditure, but you can't use capital funding for revenue expenditure. Examples of revenue funding include:

- Certain grants
- Revenues generated
- Capital funding:
- Capital Grants
- Capital Receipts

“Local Authorities can only borrow for capital expenditure” (*CIPFA Prudential Code*)

## 4.2 OVERVIEW OF FUNDING AND AFFORDABILITY SUMMARY

**A written summary of the overall affordability of the project and the funding that has been secured to date must be provided. Where there is a shortfall in available funding, provide details of how this will be addressed, and the level of contingency included.**

Complete Table 13 to provide further detail on WMCA funding specifically.

Note, WMCA are to be seen as a funder of the last resort where possible and therefore this should be reflected within the order in which WMCA funding is drawn down (should other funding sources be available).

## 4.3 COST BREAKDOWN

**Complete the table below detailing the breakdown of project expenditure to date and forecasted costs.**

Complete Table 14 to demonstrate the breakdown of the project budget into individual line items for project expenditure to date and forecasted for the remainder of the project. Include detail of the forecasted spend between this OBC and the FBC.

As per the Monitoring and Evaluation guidance (section 5.6), a monetary sum for any M&E activity should be included within the Financial Case. Any resource implications of M&E activity can be provided in the Management Case.

Project teams should work with their WMCA allocated Finance Business Partner to develop an upfront financial profile.

Please add/delete line items in the table as applicable to your project.

## 5 - MANAGEMENT CASE

---

The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

### 5.1 MANAGEMENT AND GOVERNANCE

**Provide an overview of the necessary management and governance arrangements both in the delivery phase and in operation i.e., include detail on: Governance and decision-making arrangements; Change management arrangements (inc. reference to WMCA Change Process); Outline benefits realisation arrangements and plans, including initial benefits register; Outline contract management arrangements; Post evaluation arrangements.**

Please provide further information on the following elements of Management and Governance:

- **Governance and decision-making arrangements** - who is involved in the decision-making process both inside and outside the organisation including the use of governance frameworks such as the Single Assurance Framework. Diagrams may be added.
- **Change management arrangements** (inc. reference to WMCA Change Process) - detail the process for managing, tracking and approving changes to time, cost, quality and scope.
- **Outline benefits realisation arrangements** and plans, including an initial benefits register - explain the process in place for identifying and monitoring benefits through to realisation. This should include detail on the maintenance of a benefits register.
- **Contract management arrangements** - detail the arrangements in place to manage the agreed contracts over their duration. This should include detail on both the service provider's and procuring authority's respective roles and responsibilities in relation to the potential Deal.
- **Post evaluation arrangements** - provide high level detail that includes the expected timescales for post project evaluation. These arrangements should be included in the project schedule with the individuals responsible for their delivery.

It is expected all the above arrangements are fuller formed by OBC stage. If the project is to progress to FBC as the next business case stage (or combined OBC/FBC), the above arrangements should be completely finalised and agreed.

### 5.2 PROJECT SCHEDULE FOR DELIVERY

**List the key project milestones and ensure this information is fully aligned to the Project Schedule, which must be appended to this SOC. Include dates for future business case submissions (i.e., OBC) and a longstop date by which all monies for development of this SOC needs to be drawn by.**

Use Table 15 to set out the key project milestones including (but not limited to) dates for future business case submissions and a longstop date by which all monies need to be drawn by.

Note, the detail provides should fully align to the Project Schedule appended to this SOC.

## 5.3 PROJECT ORGANOGRAM

**Insert a Project Organogram which includes full-time, part-time and fixed term staff. A Senior Responsible Owner (SRO) should be appointed and identified in the organogram.**

Insert a Project Organogram that includes all key stakeholders and their reporting lines. This should identify the staff that are full-time, part-time and fixed term.

## 5.4 PROJECT DELIVERY ROLES AND RESPONSIBILITIES

**Classify the roles and tasks to determine who is Responsible (R), Accountable (A), Consulted (C) and Informed (I).**

Use Table 16 to classify the key role and tasks leading up to the next business case stage. Additional key tasks and roles can be added to the table as necessary.

Where there is a more complex matrix available to the project, this can be appended to the business case submission, but a statement should be included under Table 16 drawing attention to this. The contents of any appendix must still be summarised within Table 16.

Definitions for the RACI matrix are:

**Responsible** - The individual(s) with responsibility for the task or deliverable is typically responsible for developing the deliverable or completing the activity. The persons responsible are typically working-level project team members, such as the project manager, business analyst, developers, or those who create marketing material and technical documentation, for example. These are the doers.

**Accountable** - The accountable party is typically the person or group responsible for ensuring the work is complete and suitable. This is usually someone with signature authority or the decision-maker. The accountable parties are typically the business owner, business sponsor, steering committee, key stakeholders, information security or governance bodies, or the manager of the key responsible party.

**Consulted** - Consulted individuals are those from whom feedback, and input should be solicited. Consulted parties could be legal, information security, compliance, and subject matter experts (SMEs) from other departments in the organisation that could be impacted. If you are working on new product development, this could essentially be the entire organisation.

**Informed** - Informed persons are those you simply want to keep in the loop. These individuals do not have to be consulted or be a part of the decision making. Keep this group on your cc list for awareness of topics, decisions, and progress. Also, invite this group as optional attendees for kick-off meetings and project demos.

## 5.5 LESSONS LEARNT

**Detail how Lessons Learnt have been considered during development of the proposal and factored into the production of this business case. For example, provide:**

- Project name: *Snow Hill Station*.
- Directorate: *TfWM*.
- Title of the lesson learnt: *Lack of stakeholder engagement at concept stage*.
- The repository name and ID number (if available).

Also provide information on how lessons learnt will be captured throughout the project lifecycle to improve project delivery. This may include the use of Lessons Learnt workshops or a Lessons Learnt log.

## 5.6 MONITORING AND EVALUATION

**Set out a summary of the initial Monitoring Evaluation arrangements for the project and milestones to progress towards completion of the next business case stage i.e., OBC.**

Include the following:

- An initial idea how performance will be measured including indicators and metrics.
- Consider how the project outcomes/impacts will be achieved. This information should be used to draft the logic chain for the intervention, with the final draft being ready for submission with the FBC. N.B. Logic chain forms part of the M&E template available from the Performance Reporting intranet.
- Previous Lessons Learnt and M&E learning that can inform this project/programme, as mentioned in Section 5.5 above.
- An initial estimate of budget & resources for M&E (note, this should align to the Financial Case)

Further steer is set out on the [Performance Team Intranet Page](#). For additional support with completing the M&E template please contact the M&E team:

[CorporateMonitoringEvaluation@wmca.org.uk](mailto:CorporateMonitoringEvaluation@wmca.org.uk)

## 6 - MANDATORY APPENDICES

This section will provide guidance on each of the mandatory appendices required at SOC stage.

Please provide each of the mandatory appendices as a separate Word/Excel document – do not embed within the Business Case, or provide PDFs (where possible).

If any appendices are missing, your business case may be rejected until missing appendices are provided.

### 6.1 RISK REGISTER

Identifying, mitigating, and managing risks and issues is crucial to the successful delivery of your project, since risks coming to fruition are most likely to result in the project not delivering its intended outcomes and benefits within the anticipated timescales and spend.

A standard WMCA Risk Register template is available here:

<https://intranet.wmca.org.uk/file/5768/download/Risk%2520Register%2520template%2520-%2520Final%2520Version.xlsx>

It includes concise but comprehensive guidance on how to complete the register. In addition, the WMCA Risk Management Framework contains further advice on how risk management is to be undertaken at the WMCA and how to assess risk, the use of categories, impact and likelihood, etc.

Note that where a previous or existing risk register template is being used, you must ensure the headings within the WMCA Risk Register are included as a minimum standard. It is also important to note that, using the current risk register template (shared above) will ensure that when a category is chosen, the target score for the risk will be auto populated with the WMCA's appetite for any such risk.

The key requirements of a WMCA risk register are as follows:

| Column                  | Description  |
|-------------------------|--|
| <b>Risk ID</b>          | Enter Reference Number e.g., Proj X 003, etc   |
| <b>Date Risk Raised</b> | Date risk was first raised to the risk register  |
| <b>Raised by</b>        | This is the project owner that raised the risk. This can be any member of the team but would usually be Senior or Assistant Delivery Managers, project co-ordinators, performance managers |
| <b>Risk Owner</b>       | The risk owner is usually the Head of Service, Sponsor or Directors  |
| <b>Category</b>         | Select a Risk category from the dropdown list; this should be linked to the cause and should, in most instances, reflect where or how the risk arose.                                      |
| <b>Risk Title</b>       | Enter a brief, easily understood, risk title   |
| <b>Cause</b>            | Describe the root cause of the threat to the achievement of WMCA / project objectives, deliverables, etc.  |
| <b>Effect</b>           | Describe the possible consequences of the risk materialising. List the main impacts this risk could have, thinking about the effects not   |

|  |  |
|--|--|
|  | just on the department but also on WMCA and any other stakeholders (e.g., Internal and external partners).   |
| <b>Controls and Measures already in place</b>    | Enter all the controls or measures the project already has in place, or which have been put in place specifically for this risk. This should include any ongoing activity.   |
| <b>Likelihood</b>                                | Likelihood reflects the probability of the risk happening, taking into consideration the controls and measures already in place and without any further control activity taking place.   |
| <b>Impact</b>                                    | Reflects the effect the risk might have once existing controls have been considered and assuming no further control activity is undertaken.  |
| <b>Score</b>                                     | The total risk score based on the Impact x Likelihood assessment.  |
| <b>Target Score</b>                              | The level at which the WMCA would accept a risk being considered under control. The Executive Board have set their risk appetite by risk category, and this will drive our target score.   |
| <b>Further Actions required to Mitigate Risk</b> | Where the risk score is higher than desired, enter all further actions required to bring the risk down to achieve its target   |
| <b>Action Owner</b>                              | Who is responsible for the further action. This could be a project team member.  |
| <b>Action Due Date</b>                           | When the action is due   |
| <b>Risk Escalation</b>                           | This cell should only be used to show that a risk has been passed from Project to Programme, to Directorate, or from Directorate to SRR.<br><br>If there is a need for the risk to be raised with a different body, committee, etc, as a control activity, then that should be captured under "Further actions required...". |
| <b>Date Risk escalated</b>                       | Date the escalation took place.  |

## 6.2 INITIAL STAKEHOLDER AND COMMUNICATIONS STRATEGY

A stakeholder and communications strategy documents the involvement and influence of your project stakeholders. It also outlines how you plan to communicate with stakeholders.

Stakeholders can either be individuals from within your team or external parties that are impacted by your work.

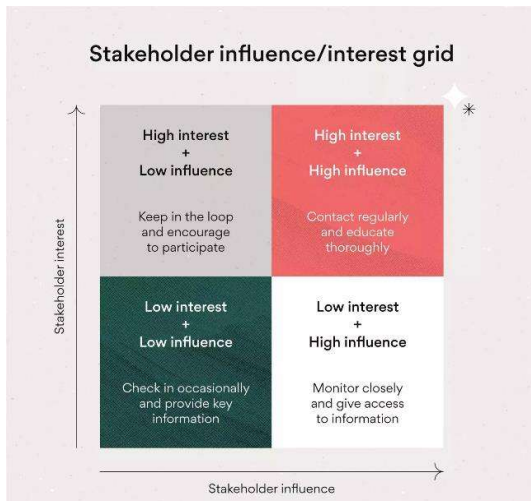
- Internal stakeholders may include project managers, operations teams, department heads, and board members.
- External stakeholders may include clients, customers, investors, suppliers, company partners, or shareholders.

At a minimum, the strategy should include:

- **Stakeholder name:** Identify who your stakeholder is.

- **Interest level:** Rank the stakeholder's interest level (High, Medium or Low), a stakeholder matrix may be useful to show this
- **Influence level:** Rank the stakeholder's level of influence (High, Medium or Low), a stakeholder matrix may be useful to show this
- **Communication frequency:** Identify how often you'll communicate with this stakeholder.
- **Communication channel approach:** Identify what communication tool you'll use to communicate with this stakeholder.
- **Information type:** Identify the type of information you'll deliver to this stakeholder when communicating.

*Example of Stakeholder Interest-Influence Matrix:*



### 6.3 WRITTEN CONFIRMATION/S OF CONFIRMED FUNDING

Attach any official confirmation/s received to confirm funding award, this may include funding award letters.

### 6.4 PROJECT SCHEDULE

A project schedule is a timetable that organises tasks, milestones, and due dates in an ideal sequence so that a project can be completed on time.

A project schedule is created during the planning phase and includes the following:

- Deliverables
- Tasks
- Task start and end dates
- Task dependencies

Then, during the delivery phase, the schedule baseline is compared against the actual project progress. Further business case development steps should be indicated as these represent a key project milestone(s).

## 7 - FURTHER READING AND RESOURCES

---



## 7.1 PUBLIC

[Business Case Guidance for Projects and Programmes](#) - HM Treasury guidance on how to develop business cases for projects and programmes.

[Magenta Book](#) - HM Treasury guidance on what to consider when designing an evaluation.

[Managing Public Money](#) - This publication offers guidance on how to handle public funds.

[The Aqua Book](#) - Guidance for producing quality analysis for Government.

[The Green Book](#) - HM Treasury on how to appraise policies, programmes and projects.

## 7.2 WMCA ONLY

[Governance Services](#) – information on meetings and boards, Modern.Gov and Cover/Board Reports

[Health and Equity Impact Assessment](#) - practical tools to promote inclusion and reduce health and wider inequalities.

[Performance Management](#) – Monitoring and Evaluation guidance and templates

[Risk Management](#) – Risk Register template and WMCA Strategic Risk Framework

End of Document