

Report to:	BTPA Strategy and Planning Committee
Date:	24 May 2018
Item:	6
Subject:	Business case management process – proposals on approach and inputs for discussion
Sponsor:	Group Chair
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1. Purpose of paper

- 1.1 To offer a set of considerations to enable the Committee to develop an approach for reviewing and recommending business cases during the remainder of 2018/19 and beyond. This will include;
- options for where detailed review and approval of business cases could take place based on value of the cases and the risks associated with them
 - what information this Committee will require to assure itself that business cases are subject to robust scrutiny

2. Background

- 2.1 As set out in the BTPA Governance Code, the Authority's Strategy and Planning Committee is the principal forum for the detailed review and scrutiny of business cases requiring approval by the full Authority (submitted by both the Force and the Authority Executive) prior to these being presented by the full Authority for approval. Routing business cases through this Committee provides a single location where investment decisions can be thoroughly tested against the current strategic and medium term financial plans to ensure aligned with stated priorities and resource allocations.
- 2.2 Members will recall that, following the Authority's endorsement of the Chief Constable's strategic delivery and business change programme 'BTP2021'¹, this Committee identified a need to review and refresh its approach to business case reviews in order to manage the flow of work emerging from the business

¹ This is the current operating name of the overall business change programme which includes a number of initiatives including that formerly referred to as the Target Operating Model (TOM)

change programme. This programme of work will generate a large number of business cases which will require approval by the Authority, the Committee commissioned work to identify both the governance requirements and routing options for managing these requests to ensure the collective attention of the Committee is focused in the right areas and business cases are progressed in a robust and timely manner.

- 2.3 The following paper offers a number of suggestions for matters the Committee will want to take into consideration when designing its approach for the year ahead.

3. Matters for consideration in designing an approach

There are a number of issues for the Committee to take into consideration when developing an approach to the review and scrutiny of business cases over the coming year. These include but are limited to;

- Formal governance requirements
- Good practice guidance on business case development and assessment – information inputs
- Available forums for and approaches to reviewing business cases

3.2 Formal governance requirements;

These are set out in a number of places including

- Annexes 4 and 7 of the British Transport Police Authority's Corporate Governance Code 2017 – this establishes the limits for business case approvals which can be given by the Authority Chief Executive, the Chief Constable and those that require approval by the full Authority (also see Appendix A for further details of current business case approvals governance route).
- Additional specific Department for Transport and Cabinet Office controls (referenced in Annex 7 of BTPA Corporate Code of Governance and in Appendix A) which variously apply to investments in particular business areas such as IT, advertising and consultancy amongst others.

The Committee will want to assure itself that the future proposed approach is consistent with the Authority's published governance requirements (these can be amended) but also balances a focus on the monetary

value of individual business cases with the business risk associated with the delivery of those cases.

3.3 Good practice - guidance documents and recommended information inputs to business cases

There are a number of guidance documents available which the Authority could take into account when designing and implementing an approach to business case reviews and specifying the information requirements. These include;

- HM Treasury Green Book – Central Government Guidance on Appraisal and Evaluation². This document sets out an approach to assist government departments, and associated bodies such as BTPA, in developing and evaluating business case options – this introduces the 5 case model which is expanded in section 4 below. It is likely that any external audit of the Authority’s business case approval process will assess whether it is at least consistent with this approach.
- Accompanying templates and toolkits including Assessing Business Cases ‘A Short Plain English Guide’
- Managing Public Money which offers detailed guidance on responsible use and proper governance of public resources

3.4 Forums for review and approvals of business cases

In preparing and reviewing business cases the Committee may wish to make use of the following opportunities for socialisation, detailed testing and seeking feedback.

- Scrutiny by the Authority Executive team
- Briefings and consultation with nominated member leads – this activity would be for seeking advice and feedback not for issuing approvals
- Broader engagement with members and other invited participants/advisors - as above
- The proposed ‘BTP2021 Diamond Group’ which is likely to play a critical role in grouping and assessing business cases ahead of formal presentation to the Committee and the Authority. Terms of reference for this Group are

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

currently being drafted and could be amended to include review, scrutiny and approval responsibility delegated from this Committee based on monetary value, logical groupings of business cases and an assessment of risk.

4. Requirements for business case reviews by the Committee

4.1 The Committee currently receives business cases at one of three stages as set out in HM Treasury Green book;

- Strategic business case – where the strategic case for change and a proposed way forward is set out including a range of options to be explored and indicative costs
- Outline business case – where a preferred option is identified and can be demonstrated to offer optimal value for money, a procurement strategy and management plan are presented – it is recommended that this includes how benefits will be identified and tracked against robust baseline data
- Full business case – the detailed final phase where findings of final procurement activities are set out along with the identified solution, arrangements for successful delivery and the preferred supplier.

4.2 At each stage of the Green Book business case process increasingly refined detail on the following 5 case areas is provided to enable the Force and Authority to make a well-informed business decision. The Committee is invited to consider and recommend the optimal level of detail to be provided at each stage, reserving the right to request or review additional information under each section based on the likely value of the business case or the strategic risks associated with it.

- **Strategic case** – the proposals are supported by a robust strategic case for change making clear what is to be achieved and how this will be measured. Dependency or interaction with other internal or external programmes should be identified.
- **Economic case** – an assessment of the economic costs and benefits of the proposals covering the whole period covered by the proposals. A range of options for delivering the desired objective (including doing nothing) should be evaluated. Any unquantifiable costs to be captured.

- **Commercial case** – an assessment of commercial feasibility to include the procurement strategy, allocation of risks and proposed risk mitigation measures. Key contractual milestones and delivery dates to be included here.
 - **Financial case** – demonstrates that the proposal is affordable and that budget is available or gaps have been identified and can be addressed
 - **Management case** – sets out management responsibilities, governance and reporting arrangements including a clear delivery plan with milestones. Arrangements for monitoring and post implementation evaluation to be set out and costs of these activities should be captured in the economic and financial cases.
- 4.3 Attached at Appendix B is HM Treasury’s checklist for assessing business cases, again this is based on the 5 case model referenced above.

5. Recommendations

- 5.1 That the Committee reviews and discusses the considerations set out above in respect of;
- where detailed review and approval of business cases could take place based on value of the cases and the risks associated with them
 - the information this Committee will require to assure itself that business cases are subject to robust scrutiny
- 5.2 If necessary the Committee commissions additional work, with a view to making final recommendations about how it wishes to manage review and recommendation of business cases as part of its work programme for 2018/19 and beyond.