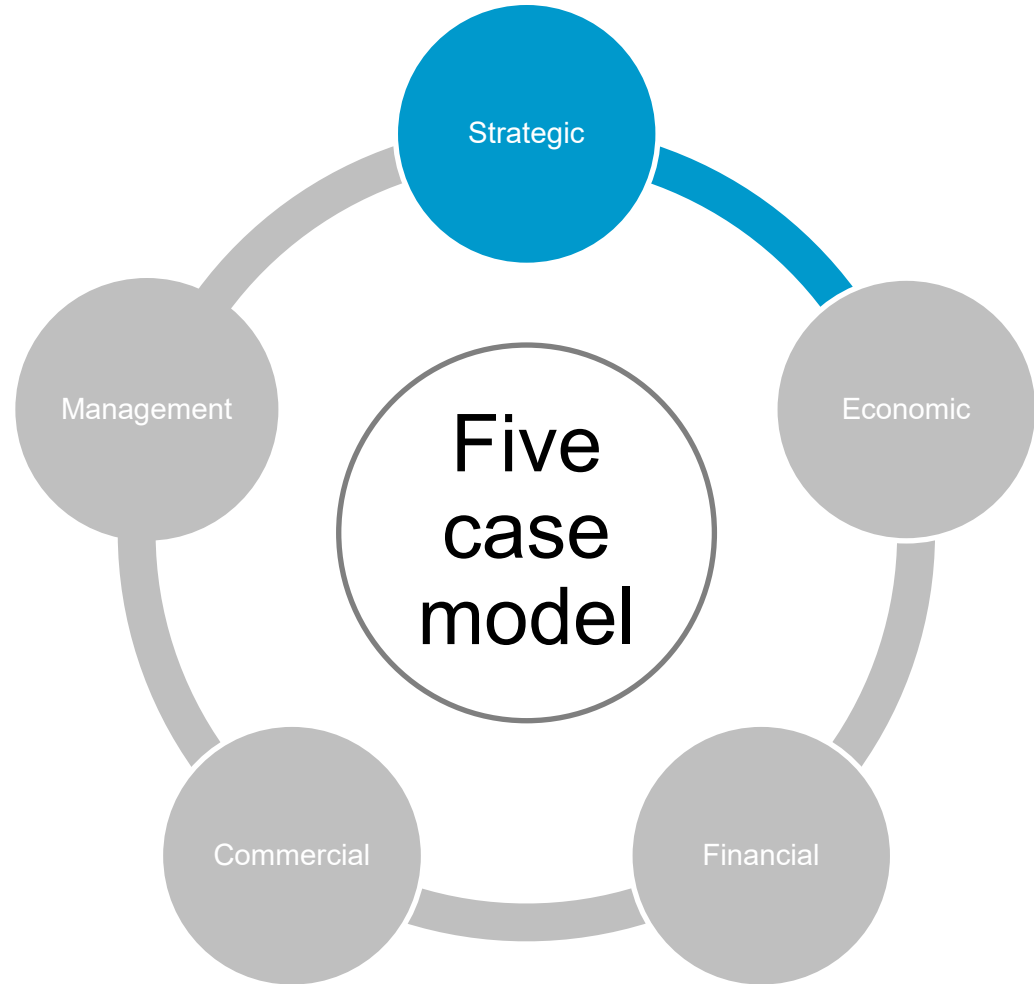


Strategic Case Good Practice

13th April 2021



Terms & Conditions

- This document has been developed by the Towns Fund Delivery Partner, a consortium led by Ove Arup & Partners Ltd with our partners, Grant Thornton UK LLP, Nichols Group Ltd, FutureGov Ltd, Copper Consultancy Ltd and Savills UK Ltd (collectively 'we'). The content of this document is for your general information and use only.
- Neither we nor any third parties provide any warranty or guarantee as to the accuracy, timeliness, performance, completeness or suitability of the information and materials found in this document for any particular purpose. You acknowledge that such information and materials may contain inaccuracies or errors and we expressly exclude liability for any such inaccuracies or errors to the fullest extent permitted by law.
- Your use of any information or materials contained in this document is entirely at your own risk, for which we shall not be liable.
- This document contains material which is owned by or licensed to us. This material includes, but is not limited to, the design, layout, look, appearance and graphics. Reproduction is prohibited other than in accordance with the copyright notice which can be found at townsfund.org.uk
- Unauthorised use of this document may give rise to a claim for damages and/or be a criminal offence.
- This document may also include links to other materials, websites or services. These links are provided for your convenience to provide further information. They do not signify that we explicitly endorse these materials, websites or services.
- Your use of this content and any dispute arising out of such use of the content is subject to the laws of England, Northern Ireland, Scotland and Wales.
- For formal Government guidance on Towns Fund please visit gov.uk

Introduction

12-26 April Business Case Festival

Following the Introduction to Business Cases webinar held in November 2020, the Business Case Festival will see the TFDP host a webinar for each of the five cases, walking through towns in more depth the requirements and best practice guidance:

- **Strategic case (13th April)**
- Economic case (14th April)
- Commercial case (16th April)
- Financial case (19th April)
- Management case (26th April)
- Stakeholder engagement (22nd April)

Objectives

By the end of the Business Case Festival, we aim to help Towns gain a better understanding and knowledge of what is needed to produce a compelling and compliant business case.

Introduction

Audience

This session is aimed at practitioners who are developing Towns Fund business cases or managing their development.

It is pitched at those with some knowledge and experience of business cases.

Session Objectives

The Strategic Case workshop will look at how the Strategic Case fits within the overall Business Case and how the Town Investment Plan (TIP) can be translated into the Strategic Case of a business case.

There will be a chance at the end to ask any specific Strategic Case related questions.

Agenda

Speakers

Margaret Kalauger is a consultant with Nichols Group. Mags is highly skilled at bringing key people together to promote collaboration and secure informed and considered decisions on transport and regeneration schemes. Her effectiveness is built on strong client programme management, strategic and analytical thinking, problem solving, negotiating and influencing skills.

Robin Miller-Stott is a Senior Transport Planner in Arup's North West and Yorkshire Consultancy Team. Robin brings a holistic view of transport, economic and spatial planning, with extensive experience in national, regional and local government policy and strategy development. Prior to joining Arup, Robin led policy and business case development work at Transport for the North (TfN) and High Speed Two (HS2).

1. Guidance and Resources

2. Strategic Case Overview

3. Top Tips: Do's and Don'ts

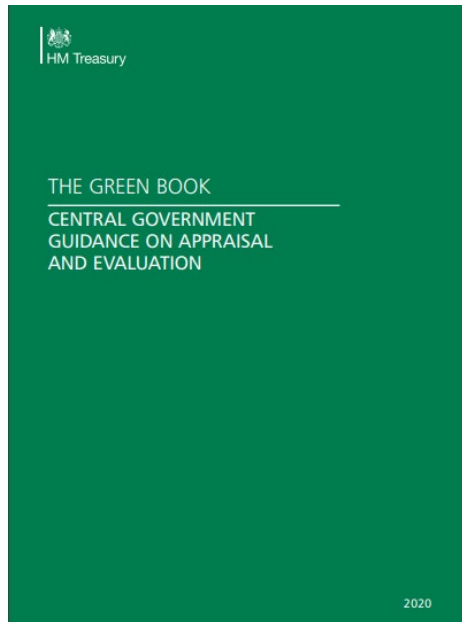
4. Working with us

5. Q+A

Guidance and Resources

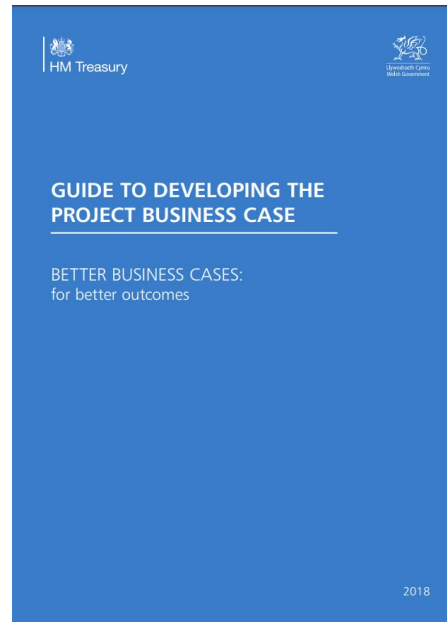
Guidance and Resources

The following guidance and resources are available online to support the Strategic case:



HM Treasury The Green Book

Guidance on how to appraise policies, programmes and projects



Guide to developing the business case

Guidance on how to appraise policies, programmes and projects



Translating your TIP into the Strategic Case
26 Mar 2021

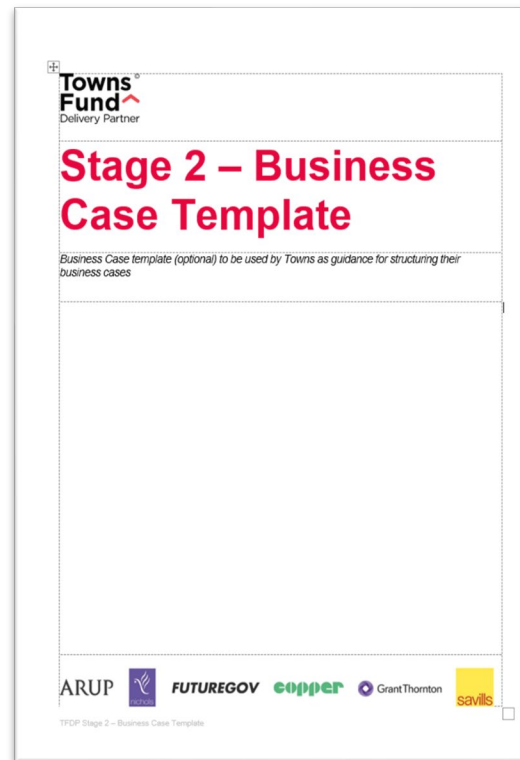
Translating your TIP into the Strategic Case

Guidance to help Towns how best to translate their Town Investment Plan into the strategic case.

TFDP Business Case Template

The optional TFDP Business Case Template and Proportionality Guide is available on the website.

- Best practice guidance on structuring your business case
- Includes the proportionality assessment tool, designed to help you understand the level of detail required for each project business case
- Summary document: as part of the business case process, the summary document is mandatory, and must be submitted to MHCLG for approval



PROPORTIONALITY ASSESSMENT TOOL

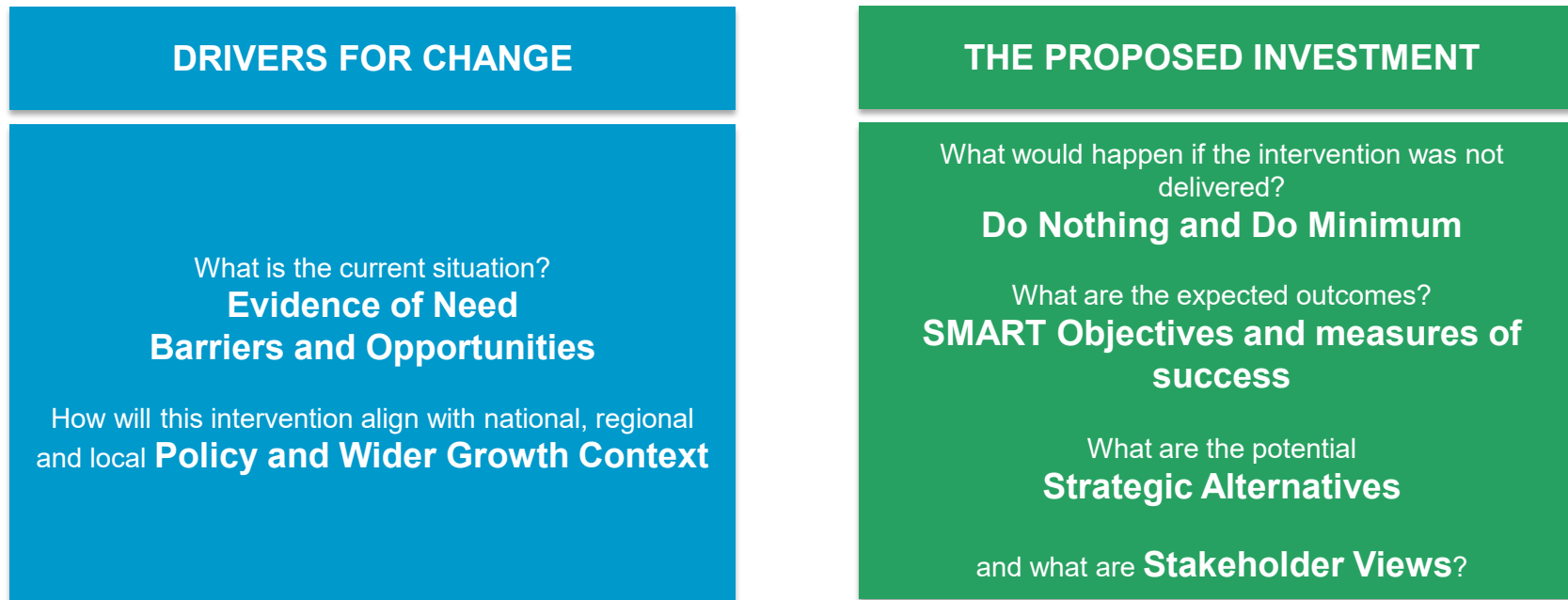
	Less detail	More detail
General		
Project size and value	<£1m	£25m+
Regional and national significance	Local	Regional / national
Innovation	Low	High
Experience delivering similar projects	High	Low / no experience
Strategic case		
Enabler of other projects and transformational change	Local impact	Transformational change
Stakeholder picture	Simple	Complex
Key dependencies with other projects	No dependencies	Strong dependencies
Economic case		
Risk and novelty of project	Low	High
Scenario definition	Simple	Complex, including Covid-19 impacts
Certainty around costs and benefits	High certainty	Low certainty
Disbenefits	No disbenefits	Potential Disbenefits
Monetising benefits	Easy to monetise	Difficult to monetise
Distributional impacts across groups	simple impacts, less relevant to project	Complex distributional impacts
Financial case		
Co-funding and uncertainties	Clear co-funding approach	High uncertainty and complex co-funding
Capital and Revenue restraints	None	Some
Financial viability and key financial risks	Low risks	High financial risks
Tax and accounting treatment	Clear	Complex, to be defined

Strategic Case Overview

What is the Strategic Case?

The strategic case sets the scene for the rest of the business case, and answers this key question:

What is the case for change, including the rationale for intervention?



The remaining cases delve into more detail about the net economic value society gains as a result of the intervention (*Economic Case*), the impact of the project on the public sector capital and revenue budgets (*Financial Case*), the required procurement arrangements (*Commercial Case*), and how the project will be delivered and managed in its operational phase (*Management Case*).

Relevant Green Book (2020) updates



Investment decisions will not be solely based on the BCR



Demonstrating the proposal's objectives aligns and contributes to wider strategic objectives, including levelling up and net zero



Place-based analysis is a new requirement for proposals with a geographical defined focus



Potential differential impact on different people within the target area must be identified



Further guidance on capturing and presenting transformational change



Clearly illustrating the 'golden thread' is vital, supported with an upcoming project scorecard

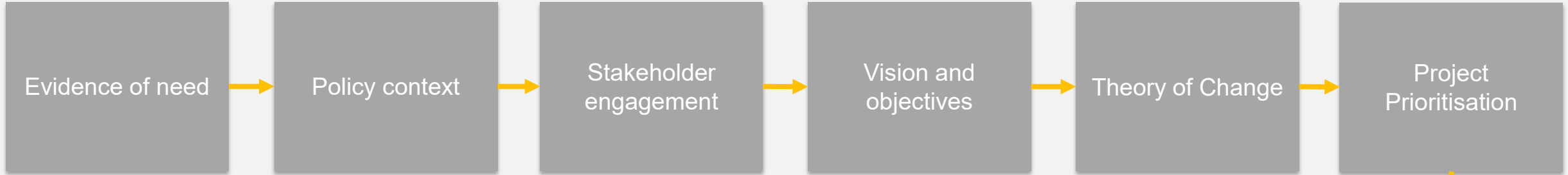
Proportionality

Key questions to consider the level of detail and effort required for your Strategic Case include:

- Is the project a key enabler for other projects or programmes? Is it part of a set of projects to achieve more transformational change?
- Is there a complex stakeholder or policy challenge which requires further evidence or articulation of wider strategic alignment?
- Does the project or its theory of change have any dependencies on other projects or activities?

Strategic case		
Enabler of other projects and transformational change	Local impact	Transformational change
Stakeholder picture	Simple	Complex
Key dependencies with other projects	No dependencies	Strong dependencies

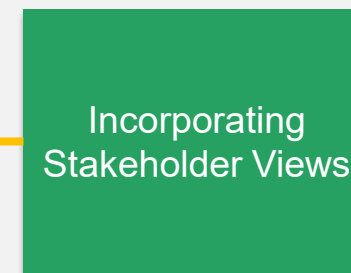
Town Investment Plan



Strategic Case – Drivers for Change



Strategic Case – the Proposed Investment



Strategic Case – Drivers for change

Evidence of need

What does this mean and require?

The strategic case should set out the scheme's scope and the sustainability, economic, demographic and social context of the impacted area in order to justify why a scheme could help to support local or regional economic performance.

What does your TIP say?

TIPs set out for the Town area the market failures, strengths, opportunities, and threats. The evidence of need subsequently framed how the projects for funding aligned with the vision, through the prioritisation process.

What should your business case consider?

The golden thread should ensure that the business case builds on the evidence of need within the business case. TIPs were limited by word count, so the business case is an opportunity to build on the specific strategic and local positioning of the project.

Strategic Case – Drivers for change

Barriers and opportunities

What does this mean and require?

Building on the context, for the specific project, it is important to set out the barriers or areas of market failure / opportunities that would not be realised fully that this type of intervention is looking to overcome.

What does your TIP say?

From evidence and stakeholder engagement the TIP will set out the opportunities and barriers for people and places.

What should your business case consider?

The business case should look to set out how sustainable economic growth is being held back. This could include analysis on future demand, capacity constraints, and to what extent the scheme addresses these barriers; raising economic performance and ultimately contributing to the TIP outcomes.

Strategic Case – Drivers for change

Policy and Wider Growth Context

What does this mean and require?

The strategic case needs to demonstrate fit with wider local growth plans and complementary policies to maximise the potential of the intervention, and setting out a plan with local partners to maximise impact. What might happen to scheme benefits if wider investment plans do not take place?

What does your TIP say?

The TIP contains the local policy context and other wider area growth plans as needed to set the wider context for the whole town

What should your business case consider?

Most of the local policy context of the TIP can be directly transferred into the business case. Double check it to make sure that it is directly relevant to this particular intervention and conduct some sensitivity testing to set out the impact on benefits if complementary policies are not achieved

Strategic Case – the Proposed Investment

SMART Objectives and Measures of Success

What does this mean and require?

Objectives should state the outcomes sought of the project, not the activities planned to achieve them. Objectives should be Specific, Measurable, Achievable, Realistic and Timebound (SMART) and a plan for measuring success should be made clear.

What does your TIP say?

The TIP will contain strategic objectives pertaining to the whole TIP. The TIP will be light on measures of success.

What should your business case consider?

SMART objectives will need to be developed for each project – outcomes-focused with targets. Measures of success will need to be identified and clearly outlined. There should be a golden thread through to the TIP.

Strategic Case – the Proposed Investment

Do Nothing and Do Minimum

What does this mean and require?

It is important to understand and present what business as usual would look like. This is to determine the baseline to which the project can demonstrate change. This should also bring out the risk and interdependencies of schemes to other projects.



What does your TIP say?

The TIP sets the scene for the market failures, other challenges and planned opportunities the Town is facing, and what the Towns Fund investment can help overcome.



What should your business case consider?

A do nothing/minimum option gives decision-makers a baseline against which to judge the relative net impact of the preferred option, but also other options considered.

Strategic Case – the Proposed Investment

Strategic Alternatives Test

What does this mean and require?

The Strategic Case should present realistic strategic alternatives that have been considered as part of the appraisal. The case should set out how those alternatives were appraised and considered against strategic objectives

What does your TIP say?

During the TIP development process, a prioritisation was undertaken, but it will unlikely to have gone to project specific analysis and alternatives

What should your business case consider?

A Strategic Alternatives test should be done to transparently set out what similar options or schemes were considered and discounted. Some of this may have been undertaken in the TIP prioritisation process, and it is crucial the preferred option demonstrates the greatest contribution

Strategic Case – the Proposed Investment

Incorporating Stakeholder Views

What does this mean and require?

The Strategic Case should state relevant stakeholder groups and partners, indicating how they've influenced, shaped and supported the development of projects. This should draw on information from surveys, consultations and stakeholder engagement. This will help demonstrate the deliverability of projects that require stakeholder input, involvement and investment.

What does your TIP say?

The TIP should already set out key stakeholders and how they were engaged as well as forward engagement plans. The Town Deal Board will also continue to be a key stakeholder point as projects develop.

What should your business case consider?

You should be able to draw on your TIP for much of this evidence. Consider whether you will need to engage again on the specific project's benefits. The forward engagement strategy outlined in your original TIP should form the basis of the engagement and evaluation plan that will go into the Management Case, although it'll need to be worked up further.

Top Tips: Do's and Don'ts

Top Tips: Do's and Don'ts

Do's

- Maintain a strong link and consistent narrative across both the Strategic and Economic cases
- Look at the intervention across a wide policy landscape
- Keep it comprehensive and high level
- Include lots of maps, visuals and graphs
- Keep language clear and narrative-based

Don'ts

- Focus only on project specifics, but how it supports the bigger picture
- Forget about the link/clear golden thread to the overall Town Investment Plan

Working with us

Working with us

You can work with the TFDP to support the delivery of your business case by:



Online resources

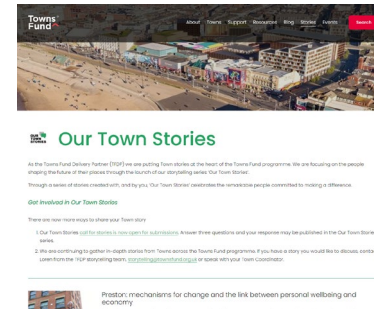
- Blog posts
- Guidance
- Tools



Expert drop-in sessions & 1-2-1 support



Online Workshops



Storytelling: Sharing your projects and experience



Town Working Groups: connecting with other towns

TFDP offerings

For help with the Strategic Case, the TFDP services team can offer:

- Advice on refining the **vision and strategy** of your TIP, and setting **project/programme objectives** that are **SMART**
- Advice on refining the **Theory of Change** and the ‘**golden thread**’
- Support with identifying and articulating the **case for change** and **rationale for intervention**
- Help with **optioneering** and **multi-criteria analysis (MCA)** guidance and workshops
- Support for planning ongoing **community and stakeholder engagement**
- Support for **identifying the level of detail for major projects** required at each stage

Useful resources

Topic area	Existing resources	Forthcoming resources
Social value	<ul style="list-style-type: none"> • Social Value 101 • Social Value in Procurement (Crown Commercial Service) 	Social Value guidance for business cases
Health and wellbeing	<ul style="list-style-type: none"> • Including Health and Wellbeing in your TIP • Health and Wellbeing Dashboard • Mitigating the impacts of COVID-19 • Evidence in your TIP: Health and Wellbeing 	Estimating health and wellbeing benefits in your economic case
Climate Change / Net Zero	<ul style="list-style-type: none"> • You've declared a Climate Emergency – What next? • You've declared a Climate Emergency... Next steps: Transport • Taking account of Net Zero in your TIP • National Strategic Brief: Climate Change 	Further resources linking to strategic and economic case
Education and training	Introduction to Education, Skills & Enterprise	TBC
Planning & EIA	<ul style="list-style-type: none"> • Addressing your Planning, EIA and HRA needs in your business case • Road to Delivery: Planning & EIA requirements • Introduction to Planning, EIA and HRA • Introduction to Environmental Monitoring & Impact Analysis • EIA Screening Guidance • Biodiversity Net Gain Webinar 	Guidance on Public Sector Equalities Duty

Q+A