

Preparing the Business Case

If agreed, the draft scope for the Business Case will be prepared by the five East Kent Chief Executives, in consultation with the five district Leaders.

The Business Case will be based on the [Treasury's Five Case Model Approach](#) that states:

“Policies, strategies, programmes and projects will only achieve their spending objectives and deliver benefits if they have been scoped robustly and planned realistically from the outset and the associated risks taken into account.

The business case, both as a product and a process, provides decision makers, stakeholders and the public with a management tool for evidence based and transparent decision making and a framework for the delivery, management and performance monitoring of the resultant scheme.”

The business case therefore must evidence:

- That the intervention is supported by a compelling **case for change** that provides holistic fit with other parts of the organisation and public sector– the “strategic case”;
- That the intervention represent best **public value** – the “economic case”;
- That the proposed Deal is attractive to the market place, can be procured and is **commercially viable** – the “commercial case”;
- That the proposed spend is **affordable** – the “financial case”;
- That what is required from all parties is **achievable** – “the management case”.

Therefore a draft Business Case to examine the merger of five East Kent districts will need to contain:

- **Strategic case** – to measure the 'strategic fit' for each partner, measured against the demands of an increasingly integrated and locally driven public sector alongside the potential risks and benefits of regional or national collaboration on a wider scale.
- **Economic case** – to evaluate the high level cost-benefit of each option, focusing on value to the public. This will be on a consistent basis, savings potential and the ability to manage financial risk.
- **Commercial case** – to review the evidence and financial analysis to viability of each option, considering staff and asset transfer (where applicable), and to provide a high level analysis on the ability to manage the transfer of the precept in consideration of existing local government legislation and enabling options under the new Cities and Devolution Act.
- **Financial case** – to undertake financial analysis to consider how the options would be funded, including investment needs and working capital considerations and the sources of funding for these aspects.

- **Management case** – to consider the implications for operational management and governance under each option to ensure that the preferred option has effective processes and controls to ensure successful on-going delivery, that performance can be effectively monitored and benefits can be tracked.

Specifically, the Business Case will be asked to consider:

- Financial savings that could be achieved through an East Kent district
- Protecting democratic representation within East Kent and the role of Town & Parish Councils
- The shift in powers and functions between three tiers of local government
- Maintaining council tax levels to the lowest within East Kent (Ashford)