

Appendix 1

Spelthorne Borough Council

Commercial Business Case Guidance and Template Pack

Aligned to Spelthorne Commercial Strategy 2026-2028

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Commercial Business Case Guidance and Template Pack

1. Guidance

How to complete the template, what “good” looks like, and common pitfalls to avoid.

This guidance supports the Spelthorne Commercial Strategy 2026/27 and ensures business cases are complete, compliant, proportionate and auditable. Use alongside the Business Case Template and the Author Checklist.

1. Proposal Overview

- Keep the summary short and outcome-focused.
- Be explicit about type of activity (e.g. procurement vs asset decision).

2. Strategic Alignment

- State which Corporate Plan priorities are supported and how residents benefit.
- Explain link to MTFS (e.g. savings, income, cost avoidance) and any IRP actions.
- Confirm statutory duties supported and any compliance risks mitigated.

3. Applying the Commercial Principles

- Purpose & Outcomes: define SMART benefits.
- Value for Money: present options with total cost, benefits and risks; include benchmarking or quotes where proportionate.
- Capacity & Capability: identify resource needs (skills, time, systems).
- Social Value & Local Impact: use the Social Value model relevant to SBC objectives; specify measurable commitments where possible.
- Insight & Innovation: summarise market engagement, research, or pilot learning.
- Transparency & Ethics: avoid off-contract purchasing; follow CPRs.

4. Commercial Lifecycle

- Always cover Identify→Assess→Plan→Procure→Manage→Review – scale your effort to the value/risk of the proposal.
- Include a simple options appraisal and sensitivity test for key cost drivers.

5. Governance & Assurance

- Costs: include lifecycle costs (set-up, operating, maintenance, exit).
- Risks: complete risk scoring; show mitigations and residual risk.
- Legal/Finance/Procurement: evidence input and approvals required before Committee.
- Technology & Data: engage IT/Data Protection early if systems or personal data are involved.

6. Documentation & Reporting

- Use standard templates; keep an audit trail of analysis, decisions and approvals.
- Store documents in the agreed location and reference them in the case.

7. Procurement & Contract Management

- Define outcome-based specifications; avoid overly prescriptive inputs unless necessary.
- Use evaluation criteria that balance quality and price appropriately.
- Set KPIs that are few, measurable and relevant; include change control, financial checks and exit arrangements.

8. Monitoring & KPIs

- Name the owner for each KPI, data source, frequency and governance route (e.g. quarterly committee report).

9. Transition Readiness (beyond 2027)

- Ensure assets, contracts and liabilities are recorded accurately and that handover documentation is complete.

Common Pitfalls & How to Avoid Them

- No options appraisal or weak VFM case → include at least a do-nothing and preferred option with cost/benefit comparison.
- Missing approvals or late engagement with specialists → involve Legal, Finance and Procurement early.
- Unclear KPIs → define measures before procurement, align to outcomes.
- Hidden costs → include overheads, lifecycle and exit costs.

Quick Reference – Required Attachments

- Business case document
- Options appraisal & cost model
- Risk register (scored)
- Sensitivity test
- Market insight summary
- Procurement documents (route, spec, evaluation)
- Contract management plan (KPIs, monitoring, exit)
- Transition pack items (register updates, documentation)

Business Case Approval

Proportionate controls apply throughout. Seek early advice from Procurement, Finance and Legal



2. Business Case Template

Version: 1.0 | Date: 12 Mar 2026 | Owner: _____

1. Proposal Overview

1.1 Proposal Title

(Insert title of proposal / project / purchase / contract decision)

1.2 Lead Officer / Service Area

Lead Officer: _____

Group Head/ Service: _____

Contact Details: _____

1.3 Summary of Proposal

Clear, brief explanation — what is being proposed and why?

1.4 Type of Commercial Activity

- Invest to Save
- Contract Variation / Extension
- New Contract
- Asset decision (purchase / disposal / investment)
- Service change / redesign
- Income generation
- Other (describe)

2. Strategic Alignment (Key Consideration 1)

2.1 Contribution to Corporate Plan Priorities

Explain how the proposal supports: Residents wellbeing; Addressing Housing Need, Safe and reliable services; Financial resilience; Environmental responsibility; Strong communities.

2.2 Alignment with Medium-Term Financial Strategy (MTFS) and Improvement and Recovery Plan (IRP)

How does this proposal support financial sustainability and/or required IRP actions? What pressures or risks does it mitigate?

Alignment with Local Government Reorganisation objectives?

How does this proposal align with LGR objectives and ensure a safe and legal transition?

2.3 Statutory Duties

Does this proposal support or protect statutory services? Could it negatively impact statutory compliance?

Mandatory Check

Have you demonstrated and evidenced alignment with the Corporate Plan, MTFS, IRP and statutory duties?

3. Application of Commercial Principles (Key Consideration 2)

3.1 Purpose & Outcomes

What clear benefit does the proposal deliver? How does it improve services or outcomes for residents?

3.2 Value for Money

Options appraisal and comparison; best balance of cost, quality and social value. Business case attached?

3.3 Consistency

Has a consistent approach been used (templates, tools, processes)?

3.4 Capacity & Capability

Do we have the skills, resources and capacity to deliver this proposal?

3.5 Social Value & Local Impact

Will it support local businesses, local employability, environmental impact?

3.6 Insight & Innovation

What market intelligence, benchmarking or research has been used?

3.7 Transparency & Ethics

Is the approach compliant with procurement rules and ethical standards?

Mandatory Check

Have you evidenced how each applicable commercial principle has been applied?

4. Commercial Lifecycle Evidence (Key Consideration 3)

4.1 Identify

What need, problem or demand is being addressed?

4.2 Assess

Options appraisal, SWOT analysis, sensitivity testing, impact assessment.

4.3 Plan

Delivery plan, dependencies, procurement route, key milestones.

4.4 Procure

Procurement route justification, market testing evidence, evaluation criteria, supplier selection summary (if relevant).

4.5 Manage

Contract management arrangements, KPIs, escalation routes, risks and mitigations.

4.6 Review

How will performance be reviewed? Continuous improvement approach.

Mandatory Check

Have you applied and evidenced all relevant stages of the lifecycle?

5. Governance & Assurance (Key Consideration 4)

5.1 Legal Implications

Confirm legal advice sought; key legislative issues.

5.2 Financial Implications

Full-cost understanding (including lifecycle, overheads, exit costs); budget availability; ongoing commitments; savings/income projections.

Attach: Full-cost model; Financial assessment; Sensitivity analysis; Funding source confirmation.

5.3 Risk Assessment and Assurance

Completed risk scoring (per Council methodology); top risks and mitigations.

5.4 Technology & Data Implications

System changes required? Data governance issues (security, sharing, GDPR)?

5.5 Oversight Required

State required approvals: Group Head, MAT, Committee, Statutory officers, Others.

Mandatory Check

Have you demonstrated compliance with governance requirements (risk scoring, cost understanding, legal/financial assurance, technology/data considerations)?

6. Documentation & Reporting (Key Consideration 5)

6.1 Toolkit & Templates Used

List documents attached: Business case, SWOT, Risk analysis, Sensitivity testing, Market insight, Contract management checklist, Procurement docs, Other.

6.2 Audit Trail

Record of rationale, analysis and approvals; storage location.

Mandatory Check

Have you used the required toolkit/templates and provided a complete audit trail?

7. Procurement & Contract Management (Key Consideration 6)

7.1 Procurement Compliance

Approved route selected and justified; CPR and Public Contracts Regulations compliance confirmed.

7.2 Contract Specifications

Outcome-based specifications; quality and cost evaluation methodology.

7.3 Supplier Analysis

Market engagement outcomes; supplier scoring summary.

7.4 Contract Management Plan

KPIs, performance monitoring, change control, exit/termination arrangements.

Mandatory Check

Have you followed procurement rules and planned for effective contract management?

8. Monitoring, KPIs & Performance (Key Consideration 7)

8.1 Measures of Success

KPIs: Financial performance; Social value outcomes; Risk indicators; Compliance rates; Delivery milestones.

8.2 Monitoring Arrangements

Who will monitor; frequency; reporting route.

Mandatory Check

Have you defined measurable KPIs and monitoring arrangements?

9. Transition Readiness (Key Consideration 8)

9.1 Asset, Contract & Liability Registers

Confirm inclusion of any assets, contracts or liabilities affected.

9.2 Documentation Standards

Are all materials transition-ready? Is continuity assured beyond 2027?

Mandatory Check

Are registers up to date and documentation transition-ready?

10. Final Recommendation

Proceed / Not Proceed / Proceed with Modifications (provide rationale)

11. Appendices

Attach cost models, risk assessments, market analysis, procurement documents, asset information, KPI frameworks, equality/environmental assessments, and technical reports.

3. Business Case Checklist

Use this one-page checklist to confirm your case is complete and compliant.

Strategic Alignment

Evidence alignment with Corporate Plan, MTFS, IRP and statutory duties is provided.

Yes No Evidence: _____

Impacts on residents, services and financial resilience are described. Yes No Evidence:

Commercial Principles Applied

Purpose & outcomes are clear and measurable. Yes No Evidence:

VFM evidenced via options appraisal / benchmarking. Yes No Evidence:

Capacity & capability to deliver are confirmed. Yes No Evidence:

Social value and local impact considered. Yes No Evidence:

Transparency & ethics – procurement rules followed. Yes No Evidence:

Commercial Lifecycle

Identify → Assess → Plan → Procure → Manage → Review steps evidenced proportionately.

Yes No Evidence: _____

Governance & Assurance

Risk scoring completed; top risks mitigated. Yes No Evidence:

Full-cost model and sensitivity analysis attached. Yes No Evidence:

Legal, finance, procurement inputs obtained. Yes No Evidence: _____

Technology & data implications addressed. Yes No Evidence: _____

Approvals/oversight route stated. Yes No Evidence: _____

Documentation & Reporting

Required templates/tools used. Yes No Evidence: _____

Complete audit trail and storage location confirmed. Yes No Evidence: _____

Procurement & Contract Management

Approved procurement route justified. Yes No Evidence: _____

Outcome-based specification and evaluation method set. Yes No Evidence: _____

Contract management plan (KPIs, monitoring, exit) included. Yes No Evidence: _____

Monitoring & KPIs

KPIs defined with data sources and reporting frequency. Yes No Evidence: _____

Transition Readiness

Registers updated; documentation complete and transition-ready. Yes No Evidence: _____

Sign-off

Author: _____ Date: _____

Group Head: _____ Date: _____

Finance: _____ Date: _____

Procurement: _____ Date: _____

Legal: _____ Date: _____

MAT: _____ Date: _____

Committee (if applicable): _____ Date: _____