



# **Business Case for Traded Services**

**for**

***(Department or Section or Group)***

*USE THIS TEMPLATE for ALL BUSINESS CASES*

*Remember that the aim is to make this TEMPLATE fit every size case, SO please mark N/A against any sections that are inappropriate with a brief explanation why*

*The rule is “be thorough - but not over wordy”. The level of detail required should be reflective of the scale of the services to be traded and the risks into which the Council is likely to enter as a result of offering the service provision*

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### 1. Background

- a. *What does the activity deliver and who does it deliver it to? What is the purpose of your business and its core values. What are your core objectives*
- b. *Which elements of the Service are Statutory/Discretionary?*
- c. *How is the service provided?*
- d. *How does this sit within the corporate business plan and the individual service plan?*

### 2. Current Activity

- a. *What do you hope to achieve over the next three years*
- b. *Include any service challenges and pressures for the next three years (service provision/Revenue and Capital)*
- c. *What is the potential for stopping the Service?*
- d. *What is the potential for a budget reduction*
- e. *Have you conducted a system thinking review of the areas you are planning to trade, if not why not?*
- f. *How much waste is in your system and what steps have you made to identify and remove this?*
- g. *What (if any) development proposals could impact on future service delivery?*

### 3. Research

- a. *Is there a market for your service? Ensure it is real and viable (not just someone's good idea).*
- b. *What learning have you found from other LA's or businesses?*
- c. *What is your price comparison? Add in evidence of current costs charged by similar organisations for a similar service*

### 4. Business Opportunities

- a. *What areas of your service should be included in scope? Not everything is suitable to trade. Is the service sustainable or is it likely to be a one-off service?*
- b. *Identify the customer base e.g. should services be restricted to provision for other local authorities, public sector voluntary groups or educational establishments or is there the appetite and capacity to extend to other sectors*
- c. *Will provision of this service add value to the Wiltshire community, if so how?*
- d. *Have you sought advice on responding to tenders for your service do you have those specific skills?*
- e. *Are there any training or development impacts for your staff? What is the timescale for these?*
- f. *What is your communication and marketing strategy?*

### 5. Customer

- a. *What constitutes your customer base?*
- b. *How will you manage your customers?*

- c. *How will they contact you and how will you manage an increase in contacts.*
- d. *What channel will they be contacting you on (web voice letter/email)*
- e. *what volumes have you identified*
- f. *what is your marketing/promotional plan*
- g. *How will you package your service? Fixed per unit pricing; variable pricing for volume; bundled packages ie: bronze/silver/gold*
- h. *Define your service standards and performance criteria.*

**6. Options**

- 1. *List all options considered and summarise the results.*

**7. Legal responsibilities**

- a. *What are your liabilities ie;*
  - *business continuity,*
  - *contractual and legal implications,*
  - *TUPE and redundancy.*
  - *Quality assurance requirements*
  - *Insurances and indemnities*
  - *VAT*
  - *Client and WC business continuity and disaster recovery*
  - *Freedom of information/data protection*
  - *IT security*

**8. Financial viability**

- a. *Establish current charges and costs and review and align costing and pricing structures ensure that comprehensive costing is undertaken i.e. that central overheads are allocated/apportioned appropriately*
- b. *What proportion of your overall income will this yield ie: is it worth the effort of setting up the traded service;*
- c. *What is the minimum income you need to achieve and what are your costs (existing and additional)*
- d. *What are the growth potentials, who else might buy it*
- e. *What is the cost structure for your service?*
- f. *What start up costs/investments will you need*

**9. Resources**

- a. *What resources will be required to move to a traded service?*
- b. *Have you identified all the costs across your service provision including those that sit outside your service area? These must be identified and agreed with each service area, see table below*

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**EMPLOYEES**

**PREMISES – RELATED EXPENDITURE**

**TRANSPORT – RELATED EXPENDITURE**

**SUPPLIES AND SERVICES**

**THIRD PARTY PAYMENTS**  
**SUPPORT SERVICES**  
**CAPITAL CHARGES**  
**INCOME**  
**CAPITAL FINANCING COSTS**

*Notes:*

*Support Services includes: Finance, IT, HR property management/accommodation, legal Services, Procurement, Transport*

*Capital charges included depreciation*

*Capital Financing includes Debt Management*

- c. *Who have you consulted regarding the impacts of these changes?  
 (Consider who will be affected by the service change in the workflow eg: if you are going to need to start to trade and invoice you will impact Business Services Accounts Payable and Accounts Receivable. If you intend to ask people to pay on line you will need assistance from IS, web team, Business Services Cash and Income team and potentially Central finance (Civica). You may need additional licences or IT connections to other bodies. Additional customers may be generated how will these be handled)*
- d. *Checklist for consultation*
  - HR Advisory – your HR lead*
  - Information services – Paul Broadstock*
  - Business Services Finance – Darren Law.*
  - Finance – your Finance lead*
  - Payroll – Sally Hobbs*
  - Legal- Emma Licciardi*
  - Procurement – Julian Ingram*
  - Health and Safety – Paul Collyer*

**10. What are your financial model and costs?**

- a. *What is your financial model for the project in the first 3 years and subsequent 5 years*
- b. *What is your predicted surplus (profit) once all costs have been deducted (ie: you must be able to demonstrate you can achieve at least cost value or nil detriment in first year and a profit subsequently)*
- c. *Gross Budget*
- d. *External Income – fees/charges*
- e. *External Income – specific grant*
- f. *External Income – contributions from partners*
- g. *Internal Income*
- h. *Internal costs (eg: software and hardware licences invoicing; accommodation; IT*

- /HR/Finance support etc)*
- i. Marketing and administration costs*
  - j. Total Staff Employed (Salary costs for service provision & proportion externally funded ...)*
  - k. Net Budget*
    - Capital Approvals*
    - Charges from support services (HR legal IS finance property)*

*Proforma financial models, including cash flow forecasts, income and expenditure and forecast balance sheets, are available from Finance*

### **11 Conduct a SWOT analysis**

*(strengths/opportunities/weaknesses/threats against the general objective of reducing risks and achieving business success. Some of the questions raised may only be answered by conducting research. Consider dependencies, a range of scenarios and draw up contingency plans.*

### **12 Economy and Enterprise**

- What is the impact of your traded service on local businesses, positive and negative?*
- Who might you be in competition with?*
- Have you considered allowing a local business to take on this work?*
- Will marketing/providing the service have the potential to contribute positively or negatively to the Council's reputation?*

### **13 Environmental and climate change considerations**

*The purpose of this section is to ensure that the proposal considers environmental and climate change issues, highlighting any potential impacts*  
*Guidance exists on the intranet (appendix 4 a) under Cabinet report writing which should be followed <http://thewire.wiltshire.council/index/councillors-area/guidance-on-preparing-reports-for-cabinet/cabinet-reports-guidance.htm#report>*

### **14 Equalities Impact of the Proposal**

*The purpose of reporting on the proposal's impact on equality and inclusion, is to identify how it contributes towards our commitment to:*

- a) tackle inequalities and promote cohesive communities*
- b) not discriminate in the way we provides services to the public*
- c) not to discriminate in our employment related practices*
- d) promote equality and good relations between different groups.*

*Consideration should be given on how the proposal affects either one or more of the above commitments. If the proposal does not impact on equality and inclusion, the rationale for this should be stated*

### **15. Benefits**

*Guidance – Summarise – A complete list of the sort of items that should be included is at*

*<http://projects.wiltshire.council/sites/information/services/programmebenefits/Forms/AllItems.aspx>*

*You should enter as many as possible and appropriate*

### **16. Business Plan 2011-2015:**

*Here summarise how this case helps Wiltshire Council achieve its' Business Plan.*

### **17. Financial Plan 2011-2015:**

*Here summarise how this case helps Wiltshire Council achieve its' Financial Plan.*

### **18. Service Delivery Plan:**

*Here summarise how this case helps the Department achieve its' Service Plan.*

### **19. Risks**

*Identify potential risks and impacts and any existing controls. This should be a thorough analysis of all the risks and advice and challenge should be sought from the corporate risk team. See guidance*

**20. Timescales**

Show an outline of the delivery plan. This example is for guidance only.

Milestone / Stage	Start Date	End Date

Clear recommendations with bullet points, if appropriate.

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**21 Recommendation**

Paragraph/bullets of recommendation(s).

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**22. Document Control**

**Revision History**

Version	Summary of Changes	Status	Date published
1	Initial Draft	Draft	

**RACI**

Issued To	Title	RACI



Sign Off.

Signed off by

Business Owner:

Position:

Signature:      Dated:

DRAFT

**Appendix A –**

**Appendix B –**

**Appendix C –**

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