

Form 1

Service development bid

Business case for capital and major ICT projects

Please use this form for capital bids and major ICT projects. When completed, submit this to Ian Jamieson by 9 Nov 2005.

Service area	
Service Manager	
Name of project	

Project description

The project should be described in sufficient detail for it to be understood by the uninitiated reader

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Objectives and purpose

State the objectives, purpose and reasons why the project should be undertaken. Please state:

- If this is a statutory or non statutory requirement
- If it contributes to the achievement of CPA requirements or key CPA performance indicators (listed in the notes)

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Contribution to the Corporate Plan

Describe how the project will contribute to the achievement of the Corporate Plan spotlight areas or getting the job done principles

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Options

The various options for achieving the required outcome should be outlined. The reasons for selecting the proposed option should be explained.

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Benefits

This section should identify each benefit that would be achieved from the outcome of the project. Each benefit should be described clearly and in measurable terms. The quantification of benefits is important so that competing projects can be compared and that the success of a project can be established

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Risks

A summary of the key risks which could seriously affect the outcome of the project should be given. How these risks will be managed should also be described.

Also, please rate the risk according to its impact and its likelihood on the following scale:

a) Impact

- 4 Severe
- 3 Significant
- 2 Disruptive
- 1 Minimal

b) Likelihood

- 4 Certain
- 3 Very Likely
- 2 Likely
- 1 Unlikely

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Timescales and contract periods

The timescale for implementing the project, from the point of approval and funds being made available, should be set out. Finance need to know soon after approval the contract will be let/payments start and how long the contract will run for, when do you think you will have this information available?

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Appraisal

This section should show the balance between the benefits to be gained from the project against the costs of carrying it out. The base line for appraisal is the “do nothing” option, i.e. what will be the picture of costs and benefits if the project is not undertaken. This should be compared with the picture expected from completing the project.

Wherever possible, benefits should be expressed in tangible, measurable ways. If the outcome of a project cannot predicted with certainty, best case and worst case scenarios may be described.

Costs

Full details of the costs of the project should be given. These should cover both one off and ongoing costs

Capital Capital expenditure	Year 1 (state yr)	Year 2 (??)	Year 3 (??)
Total			
Capital contributions			
Total			
Revenue implications	Year 1 (state yr)	Year 2 (??)	Year 3 (??)
Annual expenditure			
Total			
Annual income			
Total			
Annual savings			
Total			
Net Revenue			

Funding

If there is any external funding available for this project, please give details

Notes

Rules on capital: The rules on capital changed on 1 April 2004 and that what we capitalised in the past might not be able to be capitalised in future. In particular repairs cannot be capitalised unless the value of the asset has been reduced to reflect the lack of repair and the work will add value to the asset. Computer software can be capitalised but the first year maintenance cannot. We also need a split between computer hardware and software. The Auditors are likely to become much more interested in our capital programme and will expect that proper option appraisal has been carried out and that optimism bias (see www.hm-treasury.gov.uk/media/885/68/GreenBook_optimism_bias.pdf) has been addressed as part of the appraisal. For more information, or specific queries, please contact Steve Harding.

Key CPA performance indicators: A small number of national performance indicators have been identified for CPA purposes and they are grouped under the three CPA areas, culture, environment and housing.

Under culture, there are no performance indicators relating to districts (at present the PIs listed only relate to libraries)

Under environment, four performance indicators are listed,

- BV109a-c processing of planning applications
- BV205 planning quality of services checklist
- BV199a-d cleanliness
- BV82a-b household waste recycling

Under housing, two key performance indicators are listed:

- 183a-b time in bed and breakfast and hostel accommodation
- Private houses vacant for more than 6 months (not a BVPI but reported via HIP)
- (A number of other housing PIs are included but these relate only to councils that still retain and manage their own stock)