

Stage 2

Outline Business Case Guide and template

What is this document for?

The Council requires an Outline Business Case (OBC) in order to undertake an assessment of a request from a community organisation requesting a transfer of land, buildings and/or services defined as a Community Asset Transfer (CAT). The production and consideration of the OBC follows approval of the initial Expression of Interest submitted by the community organisation. The OBC is a document produced by the Council's supporting service with input from the community organisation.

The OBC should provide details of the proposed use and community benefits, the make-up of the organisation, the asset, the financial viability and sustainability of the proposal. A template for presenting and reporting this information is appended to this document which will help the community organisation understand the requirements and sets out what it will need to provide.

It has been developed to provide an understanding of the position of the community organisation, its proposal and future intention for the asset, and information about the asset itself.

Information about the organisation and project

The OBC will present information about the organisation, its current legal set up and whether the organisation has any experience of previously managing a similar property. The OBC also briefly outlines the organisation's plans for the land, building and service offer and gives a picture of need and sustainability. This sustainability is key and is the 'golden thread' that runs throughout the CAT process.

Information about the land, building and/or service

The OBC provides detail about the asset, whether it is currently in use and who by, how it is used and its tenure. It will also set out any financial benefit to the Council in the transfer of the asset and whether there are cost savings to be made. There will also be consideration of whether there are any claw back/funding restrictions included on the building. Any staff or service delivery impacted by the proposed transfer will also need to be detailed.

Importantly the OBC will also present a picture on whether there are any other similar services or properties in the immediate area and whether the same or a similar proposal has been tried in the area previously (and the outcome). Any potential collaboration with others will also be identified at this point.

In preparing the OBC, where appropriate the Council's supporting service will discuss the proposal with the local Area Action Partnership, who have a more detailed picture of the local area.

What will the Council need to consider?

It is important that the scope of the proposed asset transfer fits with current council priorities. The OBC will detail how the proposed project aligns with council priorities, any relevant strategic plans or any individual service plan objectives, whether it is needed from the Council's perspective, the key benefits and risks of the proposal and who the main stakeholders are.

As the Local Authorities are legally required to achieve "not less than best consideration" of any disposal of assets (Section 123 of the Local Government Act 1972), the commercial aspect of asset transfer is considered at this point. Factors considered include any key features of proposed commercial arrangements of the asset (e.g. an estimate of any identified future financial gain of the value of the asset on the open market); whether value for money be obtained from the proposed asset transfer and if not, whether the project be made attractive to a wider market. If there are DCC staff employed within the asset the regulations which govern the transfer of employees from one company to another (TUPE) will be considered.

Is the Project Achievable?

The OBC will set out how the project will be managed by the organisation requesting the transfer and what actions are needed to support the achievement of the intended outcomes. It will identify whether the organisation needs to obtain funding to undertake any improvements and whether any start up monies is needed.

Individuals who will play the key roles in developing and delivering the proposal will need to be identified both within the organisation and the Council. The Council's supporting service will consider whether it can be achieved with the service's current capability and capacity, if the risks can be managed in terms of scale and complexity and will need to produce a plan for how they will be addressed.

What happens next?

The OBC will be reported to and considered by the Community Assets Steering Group (CASG). This steering group will consider the detail in the report and how the proposal supports the Council's overall aims and objectives of its Community Asset Transfer Policy.

The CASG will notify the community organisation of the outcome of the CASG consideration. If approved, the next stage (Stage 3) is to produce a full Business Plan, which the community organisation is responsible for producing.

Outline Business Case Template	
Organisation/Interested Party	
Contact Details	
Asset	
UPRN	
Brief Details of Project	

Asset transfer criteria				
Please outline how the asset transfer meets the criteria set out below.				
Criteria	Yes	No	Partial	Comment
Council priorities				
Contributes to the council's overall MTFP savings target				
Contributes to the council's high-level priorities				
Make up of organisation				
Involves an organisation that is a charity, Charitable Incorporated Organisation (CIO), co-op, social enterprise or Community Interest Company (CIC) or is prepared to pursue this				
Group has potential, experience, good track record or good understanding of the key issues relating to the proposed asset transfer				

Health and safety and legal implications				
The organisation understands minimum service standards, including any regulations				
The organisation understands and has considered statutory compliance regulations it will be responsible for				
The organisation understands and has considered issues such as TUPE				
Future viability and sustainability				
An assessment of the asset has been undertaken to consider its viability and sustainability				
There is evidence of a commitment to maintain the asset				
Has potential to lever in external funding that the public sector cannot apply for				
Potential to facilitate restoration of facilities and bring them up to an acceptable state of repair				
Offers good value for money for the local community				
Provides a more accessible and responsive facility from which the local community can be 'reached', and services delivered				
Develops effective partnerships with communities and others to deliver services				
Helps to progress local neighbourhood plans (If applicable)				
Does not duplicate or have an impact on current service provision or other providers				
Provides an innovative solution for future service delivery.				
The organisation confirms it has the capacity and competency to develop a Full Business Plan				