SOCIAL HOUSING RETROFIT ACCELERATOR

# Business case

## Toolkit

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HM Government

SUPPORTED BY

MAYOR OF LONDON

# Contents

# Summary

Developing and delivering a successful retrofit project requires a clear and convincing business case. This toolkit will help you create a solid case that will explain the project's goals, the project's importance, and how you plan to deliver it.

**Who should use the toolkit?**

The toolkit aims to help the project leadership and team to develop a strong business case. Those responsible for writing the business case will get the most value.

**When should you use the toolkit?**

Start using the toolkit as soon as you can. Use it whilst developing the project, securing support and funding, and throughout delivery. An early start is essential.

**How should you use the toolkit?**

The toolkit has three levels of increasing detail:

- Level 1 – a brief introduction
- Level 2 – a framework for coordinating and assembling the business case organised into ten information blocks
- Level 3 – the key question for each information block, together with high-level guidance on how to answer the question and a checklist to measure progress. Supplemented with additional support material if you feel more help is required; including templates, links to masterclass videos, external reports, standards and tools.

If you are an experienced writer of business cases, review Levels 1 & 2, take the self-assessment questionnaire and look at the checklists in Level 3 to make sure you have missed nothing.

If you are less experienced, the additional information and external links after the checklists in Level 3 will help you cover areas where you need more support.

**Recommended process**

1. Read the information in Levels 1 and 2 to understand the toolkit basics
2. Take the self-assessment questionnaire to get a picture of your current areas of strength and weakness in developing your business case
3. Use Level 3 to identify key questions and potential approaches
4. The checklists in Level 3 help you identify questions you cannot yet answer
5. Supplementary information and links to external resources will suggest ways to bridge any gaps
6. Use other teams and partners to provide specific information
7. Refine the business case by progressively filling in gaps and adding new information.

# Level 1 - Introduction

A good business case is essential for a successful social housing retrofit project. There are always competing demands for limited financial and staff resources. Your business case explains why your project should be preferred to the other options available to decision-makers.

People often see the business case as a specific document presented to decision-makers for final approval. A good business case is much more than that. It develops over time. A sketchy outline in the beginning, becoming more defined. Many internal and external stakeholders contribute to its creation, and it adapts and changes as additional evidence becomes available. The business case is not the final output of planning. It starts with the very first thoughts about the potential project. It grows and matures along with the project concept and records the critical information.

The business case should:

- Enable the internal and external stakeholders to understand, influence and shape a project's scope and direction from the beginning of the planning process
- Allow you to test your plan for weaknesses and anticipate the concerns and objections of other stakeholders
- Make clear to everyone involved and affected the purpose of the project and why it has been chosen. It will be used to communicate the project story to both internal and external stakeholders
- Demonstrate that the project has been thought through. The target outcomes are clear and desirable, the risks are properly evaluated, the finances viable, and the project plan is practical and deliverable
- Help decision-makers to understand the project, the key issues and the evidence base
- Provide the basis for management, monitoring and evaluation during and after implementation.

The business case toolkit is a tool for thinking. It is intended to encourage and support you in developing a coherent and compelling case for the project. It is not:

- A mechanical process that automatically produces the 'right answer'
- A process that provides a definitive answer
- An exhaustive list of everything that must be considered for your specific project
- A substitute for active discussion by all those involved.

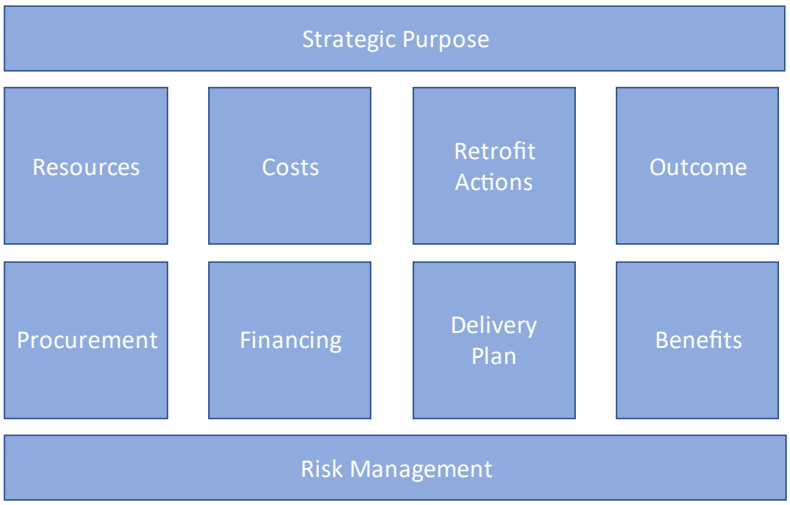
Uses of a business case:

- Identifying and tackling weaknesses in your story. Understanding the concerns of other groups and how they will challenge your argument. Anticipating attack and planning your defence
- Enabling the leadership team to approve a project

- Securing financing
- Communicating across the project team and other stakeholders
- Keeping everyone aligned to the project objectives and plan.

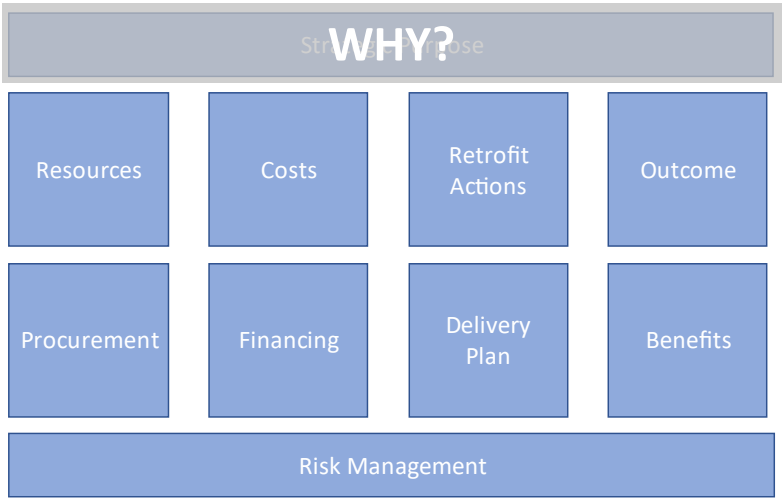
# Level 2 - Framework

A complete business case brings together a lot of information from different teams and different sources. There are many questions to answer, and it is easy to lose the overview amongst all the detail. This framework pulls together all the topics covered in a business case in a single picture. Each block has its own series of detailed questions and actions, but the single page overview helps the team monitor the business case development.




The **Strategic Purpose** of the project shows how it aligns with the goals of the organisation.

It explains ***Why*** the project is important.

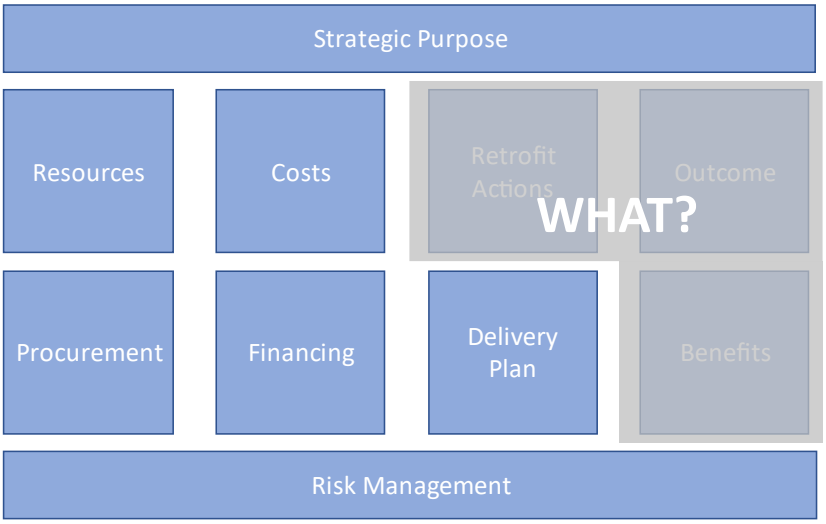



The **Outcome** is the target of the project. What will happen if the project succeeds?

The **Benefits** describe the results of successfully delivering the outcome.

The **Retrofit Actions** describe how you will deliver the outcome.

Together, these three blocks define ***What*** the project will deliver.




The **Delivery Plan** describes how you will deliver the retrofit actions.

The **Costs** describe the investment required to deliver the retrofit actions through the delivery plan.

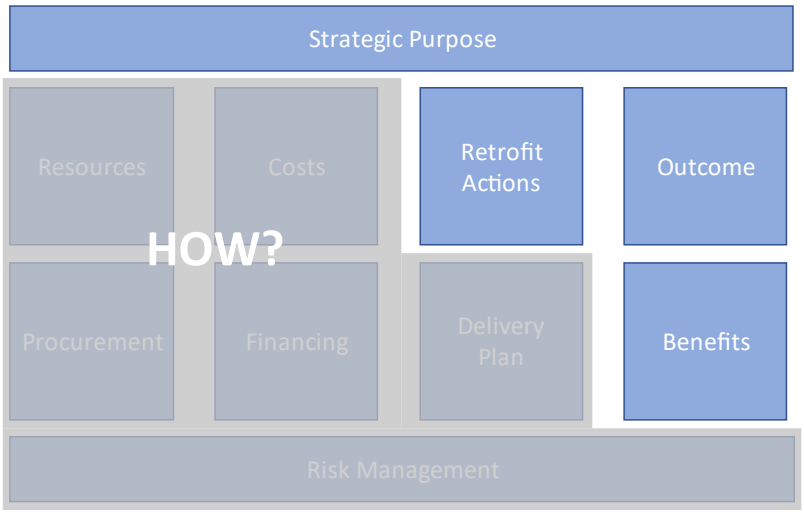
**Financing** explains where the money is going to come from to meet the costs.

You will need certain **Resources**, internal and external, to deliver the project.

**Procurement** is a vital part of any capital project. How you go about it can have a big impact on the success or failure of the project.

Finally, every project carries risks. Identifying and managing those risks is essential. **Risk Management** should be a core part of any business case.

Together, these blocks explain ***How*** you will deliver the project.




There is no implied sequence to dealing with these different blocks. The process can start anywhere in any block with an idea or a constraint. You then work from your starting point to other related blocks.

In the same way, you probably can't answer all the questions in a block in detail at the beginning of the project planning. Instead, information will become available at different times. And new information in one block can change the answers in other blocks.

The business case develops, becoming more certain and more detailed as the planning continues.

**Overview template**

As you develop the plan, a summary sentence or two in each of the framework information blocks helps to provide an instant, one-page overview of the project. It is easy to update and easy to share with all stakeholders.

Word templates are available that can be used for overviews. Alternatively, you can use traffic light colour coding of the blocks in the framework to show the current status.

Many organisations have standardised information requirements, layouts and templates for a business case. If there is a standard business case document, you must use it. However, it is still worth making sure you have the answers to all the questions posed in this toolkit. Some may not be needed for your organisation's business case template, but they are all useful for project planning and delivery.

## Links to other project activities

The business case draws on evidence from many activities in the project lifecycle. Some are internal to creating a business case, others are inputs from other project activities. A full description of all the key stages and tasks in the project lifecycle is available in the Knowledge Hub.

Internal activities – generated within the business case:

- **Strategic Purpose**
- **Target Outcomes**
- **Benefits**
- **Costs**
- **Financing**
- **Risk Management**.

External activities – inputs from other parts of the overall programme :

- Knowing which **Retrofit Actions** you are planning is critical to costing the project. Decisions on which energy efficiency measures to apply to specific properties come from detailed assessment in the PAS 2035 process (Understanding PAS 2035 Masterclass). A PAS is a 'Publicly Available Specification' developed by BSI in response to urgent market needs and faster than a conventional BSI or ISO standard.
- The business case needs a **Delivery Plan**. Tasks, milestones and dates. The delivery plan is developed through the PAS 2035 process. For the business case, you only need to know there is a plan and any implications for costs, risks, and delivery of outcomes and benefits.
- The **Resources** required to deliver the project, both internal and external, will affect its viability. Resource requirements come from the skills audit and team-building task. This should survey all the resources needed and decide how to supply them.
- **Procurement** is an important part of the project. It interacts with other project activities. The business case should include information on your procurement strategy.

## Self-assessment questionnaire

Now that you have seen the basic framework for the business case, we recommend you take the Business Case Self-Assessment questionnaire. This simple tool looks at each block of the framework and asks you to score how far you have completed it. You can then decide where your areas of relative weakness are and where to focus attention. In areas of relative weakness, you are encouraged to dig deeper into this toolkit's guidance, templates and tools.

# Level 3 - Topics

The following sections break out each block's specific challenges and questions.

## Strategic Purpose

**Key question** – Why is this project important to the organisation?

The strategic purpose will influence the target outcomes.

The business case should demonstrate the strategic importance of the project to your organisation. There will always be competition for resources, and the value of the project must be visible to the decision makers. Why does this specific project matter? How do the target outcomes and benefits align with the corporate objectives?

For each of the following areas, list the different factors and think about how your project can engage with or support them:

- Review the published corporate strategy:
  - How will this project advance the declared strategic goals?
- Review any additional public commitments made by your organisation. For example:
  - A commitment to net-zero by a specific date
  - A commitment to reduce fuel poverty
  - Specific action plans for local areas
- Plans for reputation management:
  - Correcting poor perceptions or sustaining a good reputation
  - What role can this project play?
- External trends and drivers:
  - Are there any current or short-term regulatory requirements that you must meet?
  - How is your community changing – e.g. demographics or economic activity?
  - What does the public expect of you?
  - How does this project help respond to these trends and drivers?
- Senior management priorities:
  - What are the key challenges and objectives of senior managers and their teams?
  - Can this project help them deliver?
- Is the project consistent with corporate policies, such as equality, diversity and inclusion?

**Checklist:**

- Review sources of organisational strategic goals and imperatives
  - Organisation strategy statements
  - External trends and drivers
  - Specific goals of key departments, functions and decision-makers
- Map your project to these strategic goals and imperatives
  - How will your project deliver the goals?

## Strategic Purpose – Tools and Resources

### External Trends and Drivers Scan

The strategy describes the internal goals of the organisation, but there are also external forces to consider.

Some of them will be known and may be included in the corporate strategy:

- Current or short-term regulatory requirements
- New legal obligations
- Changing standards – such as new requirements for fire safety in cladding and insulation after the Grenfell fire.

It is helpful to add an external scan to explore the major trends and drivers that will affect your organisation over the coming years:

- What are the key trends and drivers for the coming years?
- What is their impact and how can your project address them?

These scans are given various names (PEST, PESTLE, STEEP) depending on the factors you look at. They include:

- Political – actions of governments and the laws and regulations they promulgate
- Environmental – biodiversity, climate change, access to natural capital
- Social – how the population is developing. Demographics, education, culture, attitudes and expectations
- Technological – impacts of new and emerging technologies
- Legal – a specific focus on the law. Consumer, equality, employment, and health and safety law
- Economic – what is happening in the economy? Growth, recession, interest rates, etc.

### Identifying Senior Management Priorities

The project also needs to be aligned with the objectives and needs of senior managers and their teams. You are much more likely to get their agreement and support if you can show how the project addresses their targets and concerns.

What are the key challenges and objectives of senior managers and their teams?

These targets may be set out in the overall strategy, or in specific functional targets. If there are no accessible documents covering the objectives, you will need to ask them directly.

Two useful approaches are:

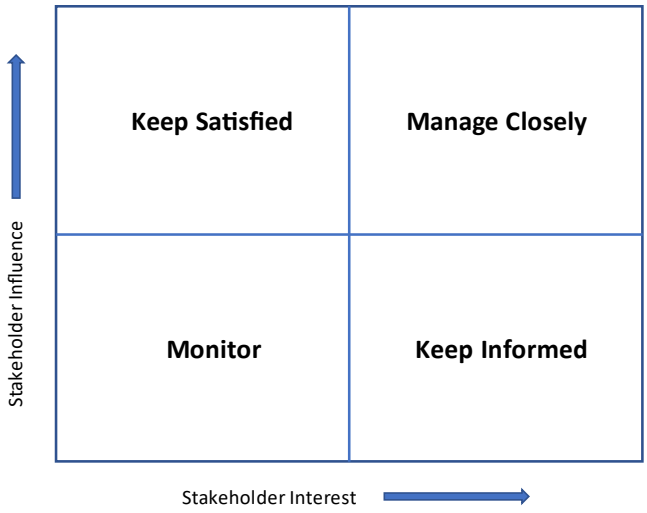
- Stakeholder analysis
- The Value-Proposition Canvas.

***Stakeholder Analysis***

Stakeholder analysis is a well-developed tool for identifying how a policy, project or innovation affects interested parties (stakeholders), and how to engage with them. It can be used to assess where key decision-makers and influencers within your organisation stand. Are they positive or negative, and what is their interest?

The steps of stakeholder analysis are:

1. Brainstorm a list of stakeholders:
    a. Those who need to approve the project
    b. Those who need to provide resources
    c. Those who will be affected by the project
    d. Those involved in the project.
2. Map the stakeholders against their influence on the success or failure of the project and their level of interest.




This allows you to develop different approaches for different stakeholder groups:

- High influence and high interest – Will have the biggest impact. These need the greatest focus
- High influence and low interest – Keep them up to date and on-side, but do not overwhelm with information
- Low influence and high interest – Keep them up to date and ensure no major issues arise
- Low influence and low interest – Minimum effort.

3. Identify the priority stakeholders, their current position on the project and their needs and concerns:
    - What do they think is important?
    - What do they want or need? – how do they measure success?
    - What are their worries and their aspirations?
    - Does the project look positive, negative, or neutral to them?
4. Use a simple template to track the key stakeholders, the messages you want to get across, and the progress you are making.

| Stakeholder | Level of influence | Level of interest | Level of commitment | Wants, needs and concerns | Actions and messages | Progress |
|---|---|---|---|---|---|---|
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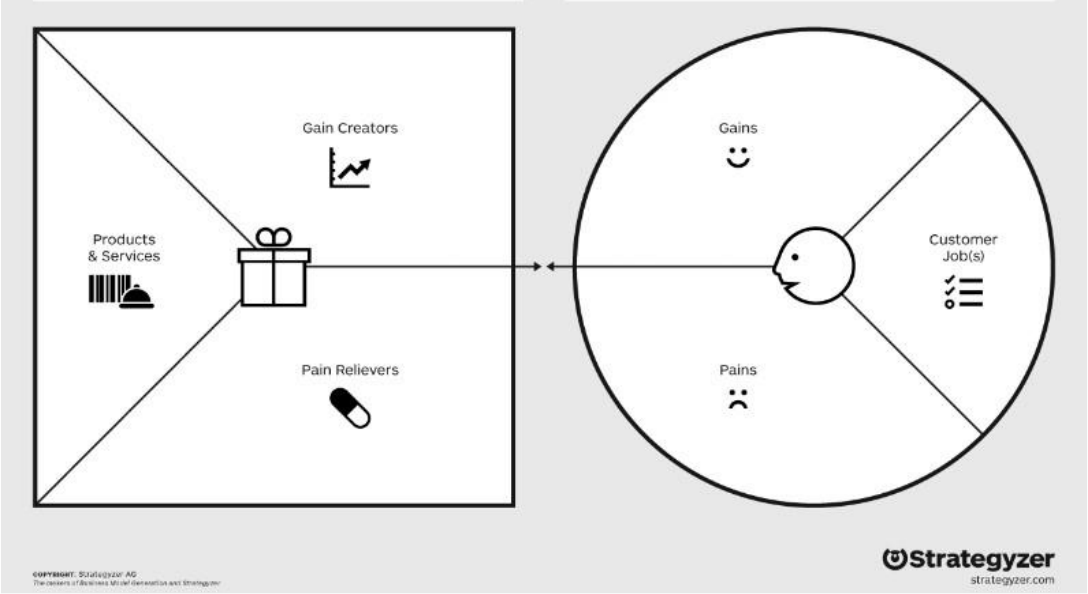
***Value Proposition Canvas***

Another approach to identifying team and individual needs is the Value Proposition canvas. Developed to help companies develop new products and services, it can be equally applied to building connections between a project and key stakeholders.




The Value Proposition Canvas has two components. On the right, you describe your stakeholder:

- What jobs do they need to do?
- In doing those jobs, where are the current pain points? What problems do they face?
- What improvements would they value? What gains would make them happier?

You are trying to build a picture of the situation from their point of view.

On the left, you describe your project. How will it help your stakeholder to complete their jobs? How will it deal with the pains and provide gains?

The connections between the project characteristics and the needs and wants of the stakeholder tell you how much alignment you have with them. Which features of the project will be attractive and should be emphasised, and which are less relevant to this stakeholder?

A quick exercise with the Value Proposition Canvas for each key stakeholder will help refine the story.

The Strategyzer website provides downloadable templates and instructions for using the Value Proposition Canvas, as well as links to a reference book.

**External Resources**

- Website – External scan for major trends and drivers
- Website – Stakeholder Analysis
- Report – Planning Stakeholder Engagement Activity
- Document – Stakeholder Management
- Website – Value Proposition Canvas

## Outcomes

**Key question** – What will the project deliver?

The outcomes describe the project objectives. In a successful project, what will be delivered? The business case should include a brief and clear statement of the planned outcomes.

The target outcomes are influenced by the strategic purpose and feed into the benefits and retrofit actions.

You must decide the target outcomes for your retrofit project. What performance do you expect from properties after retrofit? This exercise is informed by the homes you have chosen to improve, your strategic objectives, and guidelines set out by any funders. It will allow you to produce a set of targets that inform your business case.

Clear and measurable targets for your retrofit programme allow you to create a high-level delivery plan and decide the most suitable procurement approach.

The goal should be a concise and clear statement of the planned outcome of the project; something you can widely communicate. For example:

“We will improve these 100 properties from an average EPC rating of E to C, cutting fuel poverty rates for residents by 30%.”

Do not confuse the outcomes of the project -the metrics that must be achieved for the project to be considered a success, with the benefits of the project -positive things that flow from a successful project.

Target outcomes will be driven by government policy and/or your organisation’s corporate strategy.

The technical targets for building performance will come from your assessment of the properties and the options in the PAS 2035 process. You can review the details in the Masterclass – **“Understanding PAS2030/35".** This includes topics such as target EPC ratings and strategies for reducing the heat demand in properties (measured in kWh/m$^2$/year).

However, the target outcomes can usefully include other social and economic objectives. Including:

- Reduction in fuel poverty. For example, see the UK Government’s Sustainable Warmth strategy
- Resident health improvements – retrofit can improve indoor air quality and reduce the impact of cold weather and overheating in your homes. There are well-documented links with public health, including a report from the IEA Multiple Benefits of Energy Efficiency - Health and Wellbeing
- Local job creation and other economic improvements – Regeneration and Retrofit from the UKGBC shows how local regeneration can be aligned with retrofit to promote employment.

*The most useful statement of the target outcome is short and clear. Condense the complex discussion into a couple of sentences. A clear aim that everyone in the project, including partners and suppliers, can understand and act on. This is your lodestar. The reference point that guides all practical decisions.*

**Checklist:**

- Do you have a simple clear statement of the desired outcome of the project?
- Have you included social and health outcomes in defining your target? For example, reduction in fuel poverty
- Have you explored possible economic targets? For example, creation of new jobs
- Is your desired project outcome aligned with the outcome you will specify in PAS 2035?

## Outcomes – Tools and Resources

### External Resources

- On-demand Masterclass video – Understanding PAS2030/35
- UK Government Strategy – Sustainable Warmth
- IEA Report - Multiple Benefits of Energy Efficiency - Health and Wellbeing
- UKGBC Report – Regeneration and Retrofit
- UK standard – PAS 2035/2030.

## Benefits

**Key question** – What are the benefits of a successful project?

The benefits are positive results of successfully delivering the outcomes described above. They flow from the outcomes and feed into the retrofit actions.

Brainstorm all the benefits of a successful project. These benefits can be:

- To the organisation:
  - E.g. cost reductions, increased revenue or delivery of social and environmental targets
- To other organisations:
  - E.g. lower healthcare costs through a reduction in fuel poverty
- To wider society, including residents:
  - E.g. reduced energy bills or increased economic activity.

The benefits can be:

- Direct cash benefits – reductions in operating costs or increases in revenue streams
- Direct non-cash benefits – redeployment of existing resources, improved efficiency
- Quantitative spill-over benefits – e.g. new economic activity
- Qualitative spill-over benefits – e.g. improved sense of pride in the community.

List the benefits in a simple template; giving a description, noting who benefits, and estimating the value.

Use the ’80:20’ rule to focus on the most significant benefits. 80% of the value typically comes from 20% of the benefits.

The value of benefits will be compared with the projected costs and risks to decide whether the project is viable.

Checklist:

- Brainstorm and list all the benefits that can flow from a successful project
- Identify who gets the benefits
- Estimate the value of the most significant benefits. Use the 80:20 rule

### Benefits – Tools and Resources

Details of how to estimate the value a wide range of benefits are in the HM Treasury published Guide to Developing the Project Business Case, and The Green Book: Central Government Guidance on Appraisal and Evaluation. Energy savings are calculated following PAS 2035.

The core idea is that the value of benefits is determined by market prices; real or estimated.

If no market value is available, you can estimate it by:

- Stated preference – willingness to pay to get the benefit or avoid a disbenefit
- Revealed preference – inferring a price from consumer behaviour. E.g., higher house prices in areas with greater environmental amenity.

The HM Treasury Green Book provides guidance on assessing public value. It provides examples and tables of values for the main costs and benefits of public investment. For example:

- Energy saving
- Greenhouse gas emissions
- Health impacts
- Noise.

| Benefit | Description | Who Benefits? | Value? |
|---|---|---|---|
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Example template for capturing benefits

**External Resources**

- HM Treasury report – Guide to Developing the Project Business Case
- HM Treasury report – The Green Book: Central Government Guidance on Appraisal and Evaluation
- UK standard – PAS 2035/2030.

## Retrofit Actions

**Key question** – What retrofits will you apply to the target dwellings?

The retrofit actions describe how you will deliver the outcomes. What are the specific retrofit interventions and upgrades you will make to the specific set of dwellings?

The selection of retrofit interventions is guided by:

- Target outcomes
- Stock analysis and dwelling selection
- Modelling software used for detailed design
- Financing and other constraints.

The chosen retrofit interventions contribute to the:

- Delivery plan
- Costs
- Resources
- Risk management.

Retrofit actions are not decided within the business case process. They come from other activities in the project lifecycle. What is required for the business case is a list of the planned interventions for specific properties.

Retrofit projects receiving any public funds are required to comply with PAS 2035 – "Retrofitting dwellings for improved energy efficiency. Specification and Guidance". Detailed planning of retrofit actions involves dwelling specific surveys, assessments and modelling. A qualified retrofit designer should carry out this work.

There are excellent resources available to explain what PAS 2035 is about and how to implement it, including on-demand masterclasses.

PAS 2035 has three central ideas:

- Fabric first retrofit – improve the energy efficiency of the building envelope through insulation, draught-proofing and ventilation control
- Whole house retrofit – produce a holistic plan, not a series of individual and unconnected interventions
- Medium-term plan – it may not be possible to carry out all the improvements at the same time. A plan covering 20-30 years can show in which order to make upgrades to get the best performance improvements for the available funds. It avoids the risk of making an improvement that is not compatible with the long-term goals and needs to be replaced in the future at additional cost.

An initial plan can be created from existing information about the chosen dwellings. The initial plan can be refined later. Existing information can include:

- EPC data
- Existing stock condition surveys
- Information on repairs, maintenance and upgrades
- Tenant complaints about mould/damp/draughts/cold etc.

Following a fabric first approach, typical retrofit options include:

- Draught-proofing
- Wall insulation – cavity, external or internal as appropriate
- Roof insulation
- Ground floor insulation
- Replacement doors and windows.

It is important to maintain good ventilation to prevent damp and mould.

As secondary interventions after improvements to the building envelope have been completed, low-energy lighting and appliances and low-carbon heating can be added.

**Checklist:**

- Do you have a list of energy efficiency and other measures you intend to apply to the target properties?
- Is the list in sufficient detail and sufficiently certain for reliable cost estimation?
- Do they align with wider strategic objectives?
- Will these measures require more stakeholders to be brought in the project and have you mapped them, e.g. Planning or DNOs?

## Retrofit Actions – Tools and Resources

Retrofit actions are planned in the PAS 2035 process. This may be a draft list based on limited building data, or a final list, based on detailed building data and options modelling.

Knowing whether you are looking at a draft or final list is important. The reliability and range of the cost estimates will vary with the confidence you have in the planned retrofit interventions, and how likely they are to change with further analysis and planning.

**External Resources**

- Knowledge Hub – Developing Retrofit Interventions
- On-demand Masterclasses:
    - Understanding PAS 2033/2035
    - PAS 2035 Compliance
    - Understanding and Delivering EnerPHit Standards
    - Building Passports and Incremental Retrofit
- UK standard – PAS 2035/2030.
- LETI Report – LETI Climate Emergency Retrofit Guide
- Retrofit Academy e-book – The PAS 2035 Compliance Process Map.

## Delivery Plan

**Key question** – How will you deliver the project and are you clear what are the tasks, milestones and sequencing?

The delivery plan breaks down the project to the individual tasks, their duration and timing.

The delivery plan is influenced by:

- Retrofit actions
- Constraints, such as target completion dates.

The delivery plan affects:

- Resource requirements
- Costs.

A Gantt chart is a popular tool for showing task dependencies, durations, and timing.

Creating a draft delivery plan as soon as you have initial retrofit actions will help you understand if the plan is practical:

- Can it be delivered in the time available?
- Where are the bottlenecks?
- Where are the biggest risks?
- How could the project be delivered faster?
- What are the Implications for resource requirements and costs?

Difficulties in delivery may require changes to the target outcomes and retrofit actions.

As more information becomes available, and more decisions are made, the delivery plan is updated.

Checklist:

- Has a project delivery plan been created?
- Is it agreed by those accountable for the various tasks and sub-tasks?
- Has the delivery plan been communicated widely to all relevant stakeholders?
- Are project delivery risks included in the risk register?

### Delivery Plan – Tools and Resources

The problem of turning a set of tasks into a sequenced plan with deliverables, milestones, resources, and timing is a standard part of project management. Delivering a retrofit project is no different from any other project.

Your organisation probably has its own set of defined procedures for project planning. If not, there are many useful guides available.

Most processes include visual representations of the delivery plan, such as GANTT charts. These are very helpful in condensing a lot of information into one picture.

For the business plan, you need to know that a delivery plan exists, and what are the key milestones and resource implications.

**External Resources**

- Website – Project Management Guides. A large collection of resources on all key approaches and tools for creating and delivering a project plan
- Website – How to Create a Project Plan in 5 Simple Steps
- UK Government Report – Guidelines for Managing Projects.

## Costs

**Key question** – What will the project cost to deliver?

The costs of the project are defined by:

- Planned retrofit actions
- Delivery plan
- Resources required to deliver the project.

The costs influence:

- Procurement
- Risk management
- Financing options.

Typically, you will need to make an early estimate of the likely costs. There are four sources of information for initial costing:

- Experience from previous projects
- Advice from suppliers
- Published collections of information
- Any modelling of retrofit costs already done.

The initial estimates allow testing the feasibility of planned actions. This may lead to programme adjustments to improve viability.

More accurate costing is required for detailed project planning and getting authorisation to invest. Improved costing will come from:

- Detailed modelling of the planned retrofit actions
- Market information
- Procurement
- Internal information on staff costing.

Checklist:

- Do you have a list of the buildings that will be upgraded, and the energy efficiency and other measures that you will apply to each?
- Do you know the resources, internal and external, that will be required to deliver the project?
- Do you have cost estimates for each task?
- Are there any constraints with cost implications in the delivery plan:
  - Milestone dates?
  - Availability of resources – how much and when?
- Have the risks of cost overrun been quantified and added to the risk register?

Note that increased expenditure during the project may yield considerable savings later. Increased capital expenditure (CAPEX) may significantly reduce future operational expenditure (OPEX). The business case must balance costs and benefits, even where they come under different budgets.

## Costs – Tools and Resources

The project costs are the costs incurred to deliver the specific retrofit actions though the delivery plan.

There are many processes used to make a cost estimate, often supported by software tools. If your organisation has a standardised process, use it. There will be more help available if you are using a method people are familiar with, and the resulting cost estimates will have more authority.

The first task is to make a list of all the tasks that are required for the project. Those that are directly connected with the physical retrofit, and those that are supporting tasks.

For example, it is very easy to forget to allow for the costs of handover and training for staff and residents, and the monitoring and evaluation of performance in use. These are both required in PAS 2035 and can help to reduce costs on this and subsequent projects, so it is crucial to include them.

Depending on how your organisation handles supporting activities, you might have to budget separately for recruiting, procurement, contracting and legal support, or these might be an overhead on the overall project cost.

You will need to know which buildings will be part of the project, and what you plan to do to them. What resources are required to deliver the project, and whether they are internal or external?

With a complete list of activities, you can begin estimating costs. Several techniques are available:

- **Analogous Review** – uses previous experience of similar projects to estimate cost. It takes advantage of internal knowledge and confidence in numbers and works best for projects that have repeated elements. It is less useful for a one-off project. However, if you already have a strong supply chain, you can take advantage of their experience to produce more reliable estimates
- **Parametric Models** – break the project down into small tasks, each of which is repeated many times, and create a cost per unit of activity. For example, you could estimate the average cost to apply 1 $m^2$ of external wall insulation of a particular specification and multiply by the number of $m^2$ insulation in the project
- **Bottom-up Estimating** – once the project has been broken down into all its sub-tasks and costing information is available for each, you can build the overall cost estimate from the bottom up. This approach is the most accurate but is only possible in the later stages of a project, when the delivery plan is detailed and fine-grained.

For initial costing published collections of data are useful. For example:

- Assumptions used in the 6th Carbon Budget. (2020 data)
- BEIS Report – What Does it Cost to Retrofit Homes. (2017 data)
- Green Alliance Report – Reinventing Retrofit (2019 data).

The initial estimates allow testing the feasibility of planned actions. This may lead to programme adjustments to improve viability.

**External Resources**

- Website – Cost Estimating
- Committee on Climate Change Report – Assumptions used in the 6th Carbon Budget. (2020 data)
- BEIS Report – What Does it Cost to Retrofit Homes. (2017 data)
- Green Alliance Report – Reinventing Retrofit (2019 data).

## Financing

**Key question** – Where will the money for the project come from?

Once you have established the estimated costs, you need to plan how to finance the project.

Options for providing financing include:

- Use of internal financial surpluses
- Commercial loans
- Municipal and corporate bonds
- Grants – Governmental or non-governmental.

The amount of financing required, and the feasibility of raising it, may affect the scale of the project.

Checklist:

- Have the financing requirements been clearly identified?
- What is the amount of financing required?
- If public sector funding is available, what percentage of the estimated project costs does it cover?
- Which are the preferred sources of finance for this project?
- Has financing been secured?
- Are financing risks included in the risk register?

### Financing – Tools and Resources

Financing of large-scale retrofit projects as a task that requires considerable expertise. You should take full advantage of the knowledge and capabilities of your finance department. The information in this section is to give you some indication of the types of financing available. It is not advice on how you should proceed. Always take professional financial and legal advice.

If it is possible to finance the project from internal reserves, then no other parties are involved, and the decision is purely one for the leadership team. However, this is extremely unlikely. In almost all cases it will be necessary to obtain external financing.

Some of that may come from public sector grants support; for example, the Social Housing Decarbonisation Fund. More typically, some or all of the finance must be provided from external commercial sources. The options are:

- Loan facilities
- Bond issues
- Private placements.

All of these have been successfully used by social housing providers.

Commercial loans to social housing providers can be structured in the same way to other corporate borrowers. They can be bilateral, between one social housing provider and the lender, or syndicated amongst a group of lenders. Where a social housing provider is part of a group, loans may be organised by the group treasury function and lent onto individual providers.

Bonds are listed on the London Stock Exchange or another recognised investment exchange. A bond is a fixed-income instrument representing a loan made by an investor to a borrower. Bonds include the end date when the principal of the loan is due to be repaid and the terms of any interest payments to be made on the loan. Bonds are tradable securities and can be bought and sold on the exchange where they are listed. Bonds for social housing are sometimes created by an aggregator (for example the Housing Finance Corporation) who creates a large bond issue and then lends the funds on to providers.

A private placement is similar to a bond, except that it is not listed on an investment exchange or offered to the public. It is a one-to-one agreement between lender and borrower. It is typically used to raise smaller amounts of money.

Lenders will be interested in the financial health of the borrower and will be looking at the loan to value of the assets, interest cover, gearing, and many other topics.

**External Resources**

- Environmental Finance report – Sustainable Bonds Insight 2021
- Website – Social Housing Finance Overview
- Website – UK Government, Housing Funding Programmes: Detailed Information.

## Resources

**Key question** – What resources are needed to deliver the project and where will you get them from?

Resource requirements can be both internal and external.

The resource requirements are defined by the:

- Delivery plan
- Skills audit.

The resource requirements feed into:

- Procurement
- Risk management
- Costs.

PAS 2035 requires specific roles that may be less familiar to Local Authorities and Registered Social Landlords. These roles, with qualification and accreditation requirements, are listed in the standard. The PAS 2035 roles are:

- Retrofit Assessor – carries out detailed dwelling assessment and ensures good data on building condition and performance is available to the project
- Retrofit Coordinator – overall responsibility for retrofit project delivery
- Retrofit Designer – a technical role delivering detailed plans for installation of energy efficiency measures
- Retrofit Installer – qualified to instal the chosen energy efficiency measures
- Retrofit Evaluator – monitors and evaluates the performance in use of a retrofit.

An e-book from the Retrofit Academy gives a good overview of these new roles.

In addition to these specific roles, large retrofit projects typically involve many additional tasks. Different organisations will allocate responsibilities in different ways. The following teams or individuals may be required:

- Programme Board – provides sponsorship and oversight
- Energy and Sustainability – ensure the project links to other sustainability activities, may often be the instigator of projects or helps to secure funding
- Programme Lead – managing the project
- Resident Support – engagement, communications and problem solving throughout the project
- Data Team – ensuring stock data is up-to-date, complete and fit for purpose
- Asset Management – identifying properties for retrofit, and contributing stock performance data and analysis
- Maintenance Department – contributing stock condition and performance data

- Customer Services Department – contributing information on resident needs and project communications
- Procurement – managing the procurement process
- Finance – sourcing and administering project finance
- Legal – consortium agreements and contracts
- Communications – ensuring all stakeholders understand the project and keeping them up to date.

Review the resource requirements for your specific project and situation using a simple spreadsheet template.

- List the roles
- Identify any special skills required for each role
- Identify the responsible individual. In the case of a team, identify the team leader or the person accountable for that team
- For resource gaps, show how you plan to bridge the gap:
    - Training existing staff
    - Recruiting additional staff
    - Outsourcing the role.

**Checklist:**

- Have you carried out a retrofit skills gap assessment in your organisation?
- When are those skills required? Do you have time to acquire the skills
- Have you identified suppliers who could meet the project needs?
- What are the key resources missing, do they impact compliance?
- What is the plan to secure the necessary resources?
    - Train internal staff
    - Recruit internal staff
    - Outsource
- Have resource risks been included in the risk register?

### Resources – Tools and Resources

Defining the resources required for the project, both internal and external, is a key part of the business case, and critical for assessing costs and developing a realistic delivery plan.

The activity is covered in detail in the Forming a Consortium and Building a Team section of the SHRA Knowledge Hub, the Building a Team toolkit and on-demand masterclasses. For the business case, you need to know that the resources have been mapped, gaps identified, and plans put in place to bridge those gaps. The resource requirements are a key input to the costs.

**External Resources**

- On-demand Masterclasses:
  - Understanding PAS 203/2035
  - Team Forming / Skills Mapping
  - How to Build a Consortium
  - Contracting Options
- SHRA Knowledge Hub – Forming a Consortium and Building a Team
- SHRA Toolkit – Team Forming and Skills
- e-book from the Retrofit Academy – PAS 2035, what is it and what does it mean for you?

## Procurement Strategy

**Key question** – Which is the best option for procurement?

Procurement is a crucial part of a successful retrofit project. It provides the suppliers with clarity about your needs, ensures value for money and helps to deliver the project on time and within the budget.

Procurement for SHDF projects should comply with the National Procurement Policy Statement, which sets out the Government expectations for public sector procurement.

Your procurement should also comply with your organisation's internal procurement procedures and rules, and any standing orders.

There are five procedures currently approved for use in public procurement:

- Open procedure – an open call is issued, and all those who respond receive complete contract documentation
- Restricted procedure – the contracting body carries out a pre-qualification process and invites shortlisted candidates to tender
- Competitive dialogue – after short-listing candidates, the contracting body discusses possible solutions with them
- Competitive negotiation – the contracting body carries out a pre-qualification process and then enters into detailed negotiations with preferred bidders.
- Innovation partnership – the contracting body works with suppliers to develop and then purchase innovative products, works or services where no suitable solution exists in the market.

The open procedure is the conventional approach to procurement and is the first choice unless there are reasons to use a different process. The competitive dialogue process is helpful for complex procurements; for example, large-scale retrofit projects..

The Government published a Green Paper Transforming Public Procurement, which set out ideas for simplifying the public sector procurement process. The results of this consultation process will feed into a new Procurement Bill, which may change the procurement options available.

Developing a procurement strategy and then executing the procurement process is covered in the SHRA Toolkit – Procurement.

Checklist:

- Have you an agreed procurement strategy?
- Have you chosen the procurement method?
- Do your procurement team understand the project and any special requirements?
- Have procurement risks been included in the risk register?

## Procurement Strategy – Tools and Resources

Deciding the procurement strategy and carrying out the actual procurement are separate processes defined in the project lifecycle.

For the business case, it is not necessary to know the details of the planned procurement strategy, only that a strategy is agreed and the questions in the checklist dealt with.

**Principles of Good Procurement**

- Where possible, procurement should be through competition
- Procurement activity should be in line with national or international legislation or obligations.

Additional UK Government priorities:

- Creating new businesses, new jobs and new skills
- Tackling climate change and reducing waste
- Improving supplier diversity, innovation and resilience.

Specific requirements from the Regulator of Social Housing:

- Deliver value for money
- Demonstrate propriety and good practice – fairness and transparency
- Comply with public sector procurement legal requirements.

In addition to these principles, there is increasing interest in using sustainable procurement processes to achieve sustainable development goals.

Sustainable procurement should promote:

- Positive environmental impact
- Social and community value
- Equality and diversity
- Compliance with legal requirements
- Well-being and development
- Health and safety
- Human rights
- Freedom of association
- Confidentiality and respect of intellectual property rights.

Sustainable procurement should eliminate:

- Forced or compulsory labour
- Child labour
- Bribery and corruption.

There is considerable overlap between these different lists of procurement principles created for different users. However, the key themes come through clearly, and they are all a useful checklist for your own procurement exercise.

**Procurement Strategies**

There are a number of ways of approaching procurement, and it is useful to have an early discussion with your procurement team and any consortium partners. The main options are:

- Adding the procurement to an existing contract – for example, repairs and maintenance contract
- Using an existing framework agreement – an agreement that sets the terms for future contracts, but does not commit an organisation to making any purchases
- Using a buying club – also known as a central purchasing body. This is a framework agreement set up in advance for use by a group of similar organisations
- Running your own procurement
- Running a joint procurement process with other organisations
- Forming a partnership, joint venture or special purpose vehicle to carry out the procurement.

**Approved Procurement Routes**

There are four procurement processes approved for the public sector. They each have their strengths and weaknesses.

| Procurement Route | Process | Strengths | Weaknesses |
|---|---|---|---|
| Open Procedure | A single stage process. Tenders are advertised inviting supplies to respond by a set date. Submissions are evaluated according to a defined system of scoring. The winner is announced. | • Common and well understood. The first choice unless there are reasons to use an alternative.<br>• Most appropriate for simple procurement of standard goods and services, and where there are a limited number of suppliers. | • Can exclude SMEs.<br>• Requires a careful tender specification.<br>• Does not engage the innovation capacity of the supply chain.<br>• Can place undue emphasis on cost.<br>• May lead to many tenders. |
| Restricted Procedure | A two-stage process. A pre-qualification questionnaire is used to shortlist suitable suppliers. This is then followed by an Invitation to Tender, with a final decision made as in the open procedure. | • Fairly common in the housing sector.<br>• Reduces the number of tenders that have to be evaluated. | • Extra stages.<br>• Can exclude SMEs.<br>• Requires a careful tender specification.<br>• Does not engage the innovation capacity of the supply chain. |

| Procurement Route | Process | Strengths | Weaknesses |
|---|---|---|---|
| Competitive Dialogue | Following a contract notice and selection process, the buyer negotiates with companies to develop suitable solutions. This is then followed by an Invitation to Tender. | • Useful in complex procurements where a precise specification may be unavailable.<br>• Allows the buyer to engage the innovation capacity of the supply chain. | • Less commonly used and may be unfamiliar. |
| Competitive Negotiation | After pre-qualification the buyer negotiates directly with the shortlisted bidders. | • Useful in complex procurements where a precise specification may be unavailable.<br>• Allows the buyer to engage the innovation capacity of the supply chain. | • Rarely used in the UK. |
| Innovation Partnership | The buyer works with suppliers to develop and then purchase innovative products, works or services where no suitable solution exists in the market. | • Joint development.<br>• Shared costs and risks.<br>• Full integration of buyer and seller skills.<br>• Joint commercial exploitation of innovation. | • Can be slow.<br>• Requires buyer to have relevant skills and capacity for innovation.<br>• More complex commercial relationship with suppliers. |

**Skills for Procurement**

These are the key skills required for effective procurement:

- Strategic Management – linking to the original business case to avoid scope creep and badly designed procurement exercises
- Contract Management – setting KPIs and performance frameworks and managing contract delivery
- Project Management – the procurement process should have clear targets, timescales and milestones
- Relationship Management – the procurement team must be able to build relationships with suppliers to create a smooth procurement process, effective project delivery, and resolve issues or disputes
- Risk Management – identify all potential procurement process risks and mitigations and incorporate these into the risk register (Section 3.10).

**Good Practice**

- Start working on procurement as early as possible – engage with your internal teams, and if possible, the supply chain, to find the right approach for your specific project

- Take advice from your procurement professionals – if you explain your objectives clearly, they will be able to give advice on timings and approaches
- Be clear in your communications with everyone – what you want to procure, timings, performance requirements, and the evidence required
- Set a clear performance framework – this is vital for decarbonisation projects and should be done in parallel with specification and tender documentation drafting
- Plan a 'soft landing' – Ask suppliers how they ensure a smooth post-contract transition
- Be realistic – can you complete the tender process you have chosen in the time available? What happens if there is a delay?

**External Resources**

- Knowledge Hub – Procurement Strategy
- On-demand Masterclasses:
  - Procurement
  - Contracting Options
- SHRA Toolkit – Procurement
- OECD report – Compendium of Good Practices for Integrity in Public Procurement
- Soft Landings 6-stage process for ensuring projects deliver as expected for the users.

## Risk Management

**Key question** – What are the most significant risks for the project, and how can we mitigate them?

Risk management takes input from all the other blocks.

Risk management is an essential part of any business case. Any significant project faces risks, which can derail the project so that you do not get the expected outcomes. As part of your business planning, identify all the things that can go wrong in your project and make plans to reduce the chance of that happening and the impact.

The **risk register** is a key tool in risk management. It is a prioritised list of the most significant project risks, the mitigation actions which have been agreed to treat the risk, and who is responsible for dealing with that risk. It is a dynamic, living document. Older risks are dealt with, or have reduced in importance; newer risks emerge or grow in significance. It is a vital communication tool for keeping all the project teams and partners aligned and aware of the current issues which need to be resolved.

Risk categories to think about include:

- Technical – will the solutions we develop actually work?
- Commercial – can we deliver the benefits expected at the price predicted?
- Financial – can we secure the money that will be needed for the project?
- Legal and reputational – are there any legal risks or events that could block the project or damage your reputation?
- Stakeholder – could disgruntled stakeholders, for example residents, disrupt the project?
- Regulatory – are there any regulatory barriers that we have not thought about?
- Delivery – what could go wrong in the project delivery?
- Timescales – what are the stress points in relation to timescales and what can be done about them?
- Performance – once the project is completed, will it deliver the expected performance?

Typical risks of large-scale retrofit projects:

- Getting approvals and getting them in time – approvals from internal decision-makers, planning, utilities and highways
- Getting tenant consent – creating delays in delivery
- Poor quality stock condition data – leading to poor selection and targeting of interventions
- Project management – problems with budget management, data management, project timing and procurement
- Governance – delays or problems from decision-making processes, management of funds and fraud
- Supply chain – making sure you have the right materials, manpower and skills, and getting deliveries on time

- Site problems – materials storage, weather, scheduling and workforce delays. Unscheduled snagging, remediation and rework
- People – risks due to external stakeholders not engaging or supporting the project
- Design risks – causing poor ventilation, damp, uncontrolled costs or performance failures
- Installation – problems caused by incorrect installation or quality control failures
- Handover – problems with resident communications, awareness and operation of new technologies
- Monitoring – ensuring access for ongoing monitoring, dealing with performance gaps and ensuring user satisfaction.

It is important to understand that risk management extends beyond the formal completion of the project. There is little point in delivering a retrofit project on time and in budget if problems with damp and mould emerge as soon as the buildings are put into use. Money and time saved in the short term can often be at the cost of much larger expenditure in the future to rectify problems. Being aware of long-term risks, and their costs and consequences, is a key part of risk management.

***Risk Management Case Study*** *– Ronan Point*

In 1968 one of the residents in the newly opened Ronan Point tower block in East London, went to the kitchen to put the kettle on the gas cooker to make some tea. As she struck a match, there was an explosion that blew out one of the walls of the flat. Since this was a structural load-bearing wall all the flats above collapsed. Four people died and seven were injured.

It was not even a particularly big explosion. The resident was blown across the kitchen away from the failing wall and survived.

There was a fundamental design flaw. These walls were not strong enough to survive a good storm. The risks of the chosen method of construction were not properly evaluated.

***Risk Management Case Study*** *– Airbus A380*

The Airbus A380 came into service in 2007 after major delays. It is a complex aeroplane with 100,000 different wires covering 530 km performing over a thousand separate functions.

When they tried to install wiring looms into the first airframes, they were too short. Fixing the problem cost over $6 billion in delays and additional costs.

The aircraft design was a collaboration between 16 sites across four countries. Computer-aided designs for subsystems were shared and integrated into a digital mock-up of the final aircraft. That should have meant everyone was working to the same design all the time. Unfortunately, different design groups use different versions of the same CAD system. The different versions used slightly different algorithms for calculating the length and bend radius of wires. As a result, when everything was integrated into the final digital model it looked okay, but on the factory floor the wiring looms would not fit.

The decision to allow engineers to use different software versions for speed and familiarity cost billions of dollars.

Checklist:

- Do you have a documented risk management process with named people accountable?
- Do you have a risk register for your project that lists known risks ranked in order of priority?
- Do you have mitigation plans for each priority risk with a named person accountable?
- Is the risk register shared with key partners? E.g. consortium members, key suppliers etc.
- Is the risk register regularly reviewed and updated if necessary? We recommend monthly and definitely no longer than quarterly.
- Is there a process for discovering new risks in all parts of the project?

## Risk Management – Tools and Resources

Risk management has two components; a risk management process, a framework for carrying out the task, and a risk register that provides a snapshot of your project's risks and mitigation actions.

### Risk Management Process

The risk management process consists of the policies, framework, processes and rules that you need to identify, assess and respond to risks. The risk management process can apply to all projects and business activities in your organisation. If your organisation already has one, you should use it.

If there is no established risk management process, the basic steps are to:

- Identify the risk – make sure that you have explored and listed all the ways your project could go wrong
- Analyse the risk – understand how likely is the event, and what are the implications if it happens
- Evaluate the risk – you need to order the risks in terms of their priority
- Treat the risk – each priority risk needs to be eliminated or contained. What actions can you take to reduce the risk of the event happening or the impact if it does happen?
- Monitor and review – not all risks can be eliminated, and the situation can change. It is important to keep an eye on continuing risks to make sure they are under control. As the business case develops, new risks will be identified, and older risks turn out not to be important. The risk management process is continuous throughout the life of a project.


Your risk management process should be documented and should cover the following points:

- How will you assess risk? What processes will you put in place to make sure risks are captured and analysed?
- Who will do it? Who will own the process and who else will they involve?
- How often will you review and update risks? If you are constantly checking the risks you can waste resource, but if you are not checking frequently enough, a crisis can erupt rapidly
- How will you decide on mitigation actions? Who will be involved, and what is the decision process?
- Who will deliver the mitigation actions? Actions with no owners can fall down the cracks Once you have decided on a mitigation action, you need to know who is responsible for it and who is accountable.

**Risk Register**

The risk register is a snapshot of your project. It is a prioritised list of the most significant project risks, the mitigation actions which have been agreed to treat the risk, and who is responsible for dealing with that risk. It is a dynamic, living document. Older risks are dealt with, or have reduced in importance, newer risks emerge or grow in significance. It is a vital communication tool for keeping all the project teams and partners aligned and aware of the current issues which need to be resolved.

The risk register is built using the risk management process.

### Identifying risks

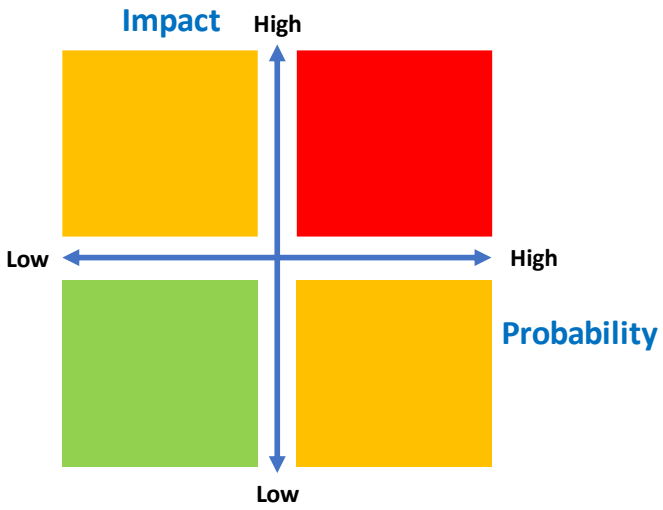
The first step in building a risk register is to brainstorm what could go wrong. Involve as many different project partners and teams as possible to get different perspectives and try to think of everything. At this stage you need to go as wide as possible and think the unthinkable.

Within these categories, the specific risks you face depend on your project, your partners, and the environment you are working in. We cannot tell you what the risks are for your specific project, but have provided an initial list typical of large-scale retrofit projects:

### Analysing risks

It is useful to think about risks along two dimensions. What is the probability of the event happening – high or low? And what is the impact of the event happening – high or low?

We can then map the risks identified into four categories:




The red quadrant covers risk events that are high probability - likely to happen, and high impact - if they do happen, they will be very bad for the project. These need a lot of focus.

The amber quadrants cover high probability, low impact events, and low probability high impact events. These risks are less significant than those in the red quadrant.

The bottom left green quadrant covers low probability low impact events. These still need to be assessed but are probably lower priority than other risks.

## Evaluating risks

| Risk | Probability | Impact | Score | Mitigation | Who |
|---|---|---|---|---|---|
| | | | | | |
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| | | | | | |

*Example risk template*

Now we can begin to build the risk register using a template.

List the risks, noting probability and impact. You can use high, medium and low, traffic-light colour coding, or a numerical score. It depends on your preference and the approved processes in your organisation.

Combine the probability and impact to give an overall risk score. Again, you can use the same colour coding as the diagram quadrants, describe them as high, medium and low, or multiply your numerical scores and rescale them 1 – 10.

It does not matter precisely how you carry out this step, but it should be consistent and thoroughly communicated to everyone. You should not be changing your evaluation process during a project. Consistency is essential.

Now you can rank the risks according to their overall score. This allows you to assign limited resources to the highest priority risks.

As an example, it may be impossible to source and install external wall insulation at the price predicted. That will have a high impact on delivery of the project as there will be cost overruns and it may not be possible to source additional finance. The project is severely compromised. If you only have one supplier approved and you are doubtful about their ability to deliver, there is also a high probability of that risk coming to pass. As it is high probability and high impact, it is a risk that needs a lot of attention. If you have multiple suppliers and the product is standard, then the impact is still high, but the probability has come right down.

**WARNING** – the natural tendency is to analyse and evaluate risks independently. However, in most projects, some risks will not only have direct consequences, but these can feed through to increase the probability or impact of other risks. A failure in one part of the project can delay or compromise another. As you assess impact, it is worth looking for the kind of cascade failure which can bring an entire project to a grinding halt.

**Treat the risk**

What actions can you take to mitigate the risk?

Can you reduce the chance of the event happening?

Can you take steps to reduce the impact if it does happen?

What is the plan?

You also need to be clear who is responsible for that mitigation action.

Some find it useful to add a final column to the risk register that shows the estimated risk after the mitigation actions. It may be difficult to do much to mitigate a risk, especially if it is outside your control. So a risk may remain significant after you have done what you can to reduce its likelihood, or the impact it will have. Highlighting the risks that are of most concern can be useful.

**Monitor and review**

There should be a regular process of monitoring and reviewing the risk register. The risk register is a snapshot of a point in time and therefore changes as new information becomes available.

The person responsible for the mitigation actions for a particular risk should regularly report on progress with the mitigation actions and any changes to the probability or impact for that risk.

Those responsible for the risk management should consolidate the reports from the different mitigation activities and review the overall risk profile. At the same time, they should be scanning with the project teams for new risks.

At each review and update, the risk register will change. Risks will fall off the register, priorities and mitigation actions will change, and new risks will have to be assessed and managed.

The RACI chart is a useful tool for keeping the entire project team up to speed, and providing clarity on roles and responsibilities.

**External Resources**

- On-demand Masterclass video – Risk Management
- Website – Risk Management
- Website – Project Risk Management: A How-To Guide With Tips
- Website – How to Make a RACI Chart for a Project
- Standard – ISO 31000:2018 Risk Management - Guidelines.

## Completing the Business Case

Now you have all the key information required for a comprehensive business case. Many organisations have standard formats and structures for business cases, but if you need an example, the following layout takes the information from the framework and organises it into a single document. There is also a Word template you can use.

| | Activity | Questions |
|---|---|---|
| **Why?** | Strategic Purpose | Why is this project important?<br>How does it support corporate strategic objectives?<br>Does it respond to significant external drivers? E.g. regulatory, financial, environmental, social objectives? |
| **What?** | Outcomes | What is the target outcome?<br>What is the goal?<br>What does success look like? |
| | Benefits | If you deliver the outcomes, what benefits will follow?<br>What benefits to the organisation?<br>What benefits to customers?<br>What benefits to wider society?<br>What is the value of these benefits? |
| | Retrofit Actions | What retrofit interventions to the target group of properties will deliver the desired outcome? |
| **How?** | Delivery Plan | How will you organise to deliver the retrofit actions on time and in budget?<br>• Gantt chart or other project plan |
| | Costs | What are the costs of delivering the planned retrofit actions? |
| | Financing | List the various sources of financing for the delivery plan |
| | Resources | What resources (internal and external) are required and how will they be sourced? |
| | Procurement | What procurement approach will you use? |
| | Risk Management | What are the key risks to the project?<br>How will you mitigate these risks?<br>Who is responsible for managing these risks? |

### Creating a One-Page Summary

A one-page summary of the business case is useful. It will help communicate effectively with all stakeholders, particularly with the leadership team and decision-makers. It should tell the story of the project in simple language. What is the project about, why does it matter, what are we going to do, how are we going to do it, and what impact will it have?

This is the structure of a classic ‘elevator pitch’, a 30-60 second pitch that sells the project to the audience. If you grab their attention, then the full business case is there to provide the detail.

An elevator pitch of the project has many advantages. It creates a short punchy message about the project that can be used to keep everyone aligned and moving in the same direction. It helps you explain the project to a wide range of stakeholders, many of whom will be detached from the details. For example, residents and local press. It tests your understanding of your own project. If you cannot clearly describe the importance and key features of the project in one page or 60 seconds, you probably do not fully understand your own project.

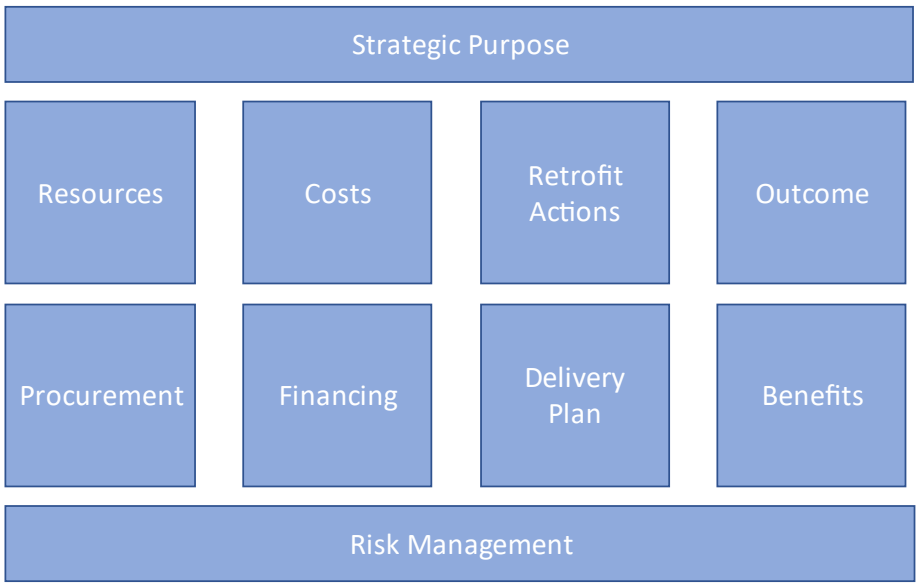
A convenient way to structure your elevator pitch is to fill in the gaps in these sentences:

- The problem/opportunity is…
- It matters because…
- If we could…
- It would solve/enable/fix/create…
- To do that, we need to…

For details you have the full business case.

The toolkit Gaining Senior Management Buy-In provides more detailed advice on preparing a business case for wide communication.

A quick shareable summary can also be created by putting a few key words into each block of the business case framework graphic.



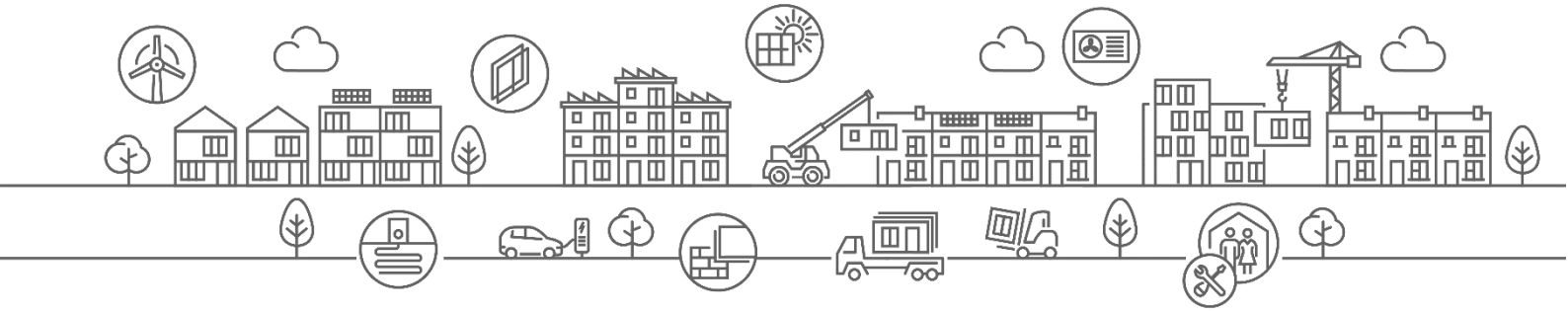
## External Resources

- On-demand masterclass videos:
  - Developing Application Responses Using a Storyboarding Technique
  - Writing a Successful Bid – the process
  - Gaining Senior Management Buy-in
- SHRA Toolkit – Gaining Senior Management Buy-in

**SHRA Toolkits available online**

The full selection of SHRA Toolkits are available at:

www.socialhousingretrofit.org.uk/knowledge-hub



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