



[Insert Project Name]

Business Case

Version 1

BUSINESS CASE: KEY DETAILS PAGE
 COMPLETED/UPDATE BY: INITIATIVE MANAGER AT EACH NEW VERSION]

Initiative Name: [insert initiative name]

Filename: [insert initiative ID]-BusinessCase-v[insert current version no].doc

Location: [insert filepath reference re. your project’s documentation]

Project Manager: [insert name]

Senior Responsible Owner: [insert name]

Gateways:

Approval/Gateway	Board	Planned Date	Actual Date
Proposal			
Gateway 1			
Gateway 2			
Gateway 3			
Gateway 4			
Gateway 5			

Access to Business Case:

Does this business case require restricted access on SharePoint?	Yes / No
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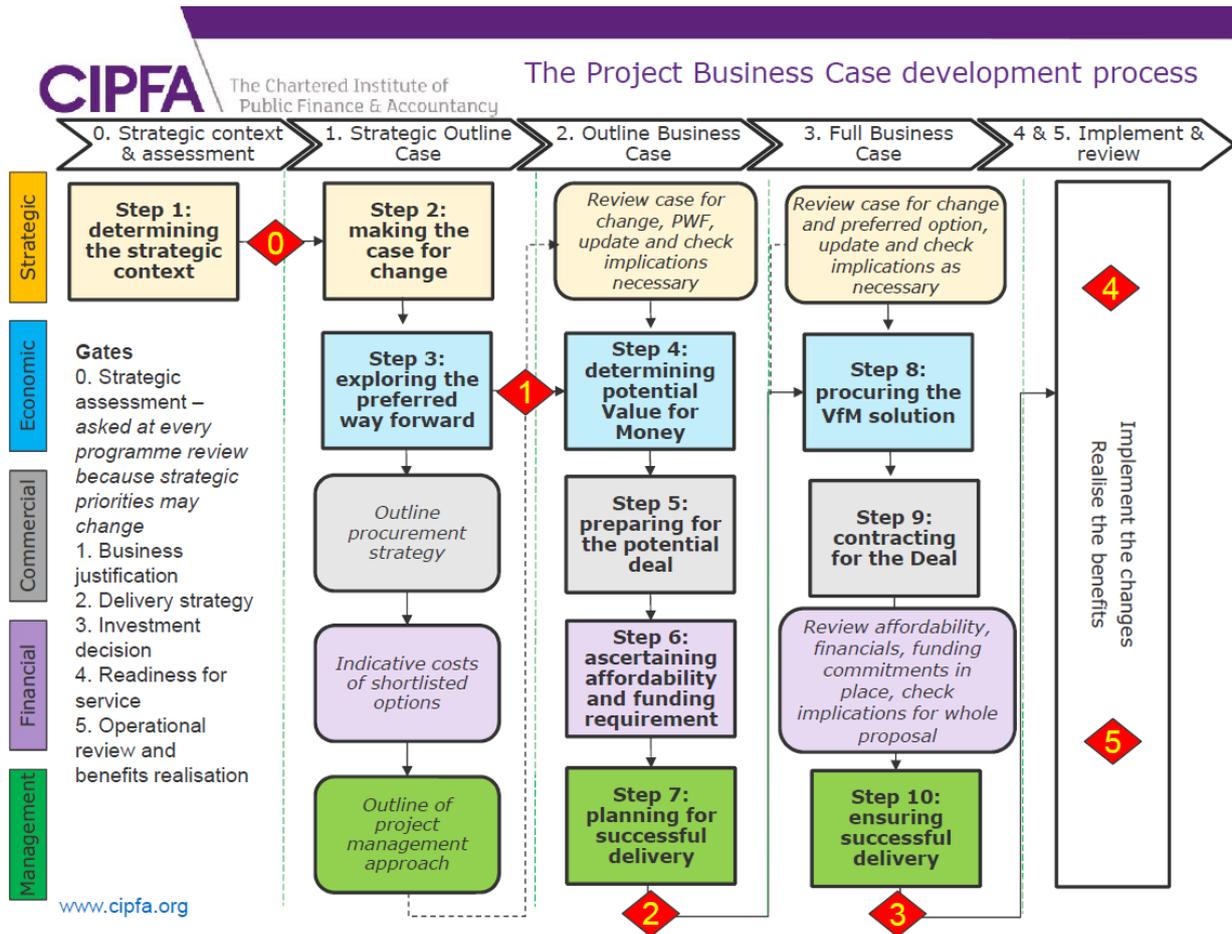
Progress Reporting:

What is/will be, the progress reporting mechanism for this project	[insert text]
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Version	Date	Author	Summary of Changes made
v0.01	[insert]	[insert]	[insert concise summary]

*This section must include review and signature from Finance and Legal.

All schemes that involve capital expenditure are required to complete a business case that is reviewed at key points in the scheme’s lifecycle. The diagram below outlines the process.



Proposal: Proposal – To be reviewed at Gateway Proposal

The purpose of this stage is to collect information on any new initiative and/or opportunity for funding. At this stage it is expected that:

- The Strategic Case - is completed in as much detail as possible and will be revised later
- The Economic Case - is populated with the high level options available and identification of the preferred way forward
- The Commercial Case – identifies the likely delivery route for the scheme
- The Financial Case – discusses the likely affordability and funding arrangements for the scheme
- The Management Case – outlines how we will manage the development of the scheme

A decision will be made to approve the use of resources and funds to develop the strategic outline case in readiness for a Gateway 1.

Stage 1: Strategic Outline Case (SOC) – To be reviewed at Gateway 1

The purpose of the SOC is to confirm the strategic context of the proposal; to make a robust case for change; and to provide stakeholders and customers with an early indication of the proposed way forward having undertaken a high level options appraisal and identification of the short list options with indicative costs. At this stage it is expected that:

- The Strategic Case – completed in full but may be revised later

- The Economic Case – completed to the long-list of alternative options stage, with a recommended way forward and initially recommended short-list for further examination at OBC stage
- The Commercial Case – addressed the fundamentals of any potential procurement or delivery route
- The Financial Case – discusses the likely affordability and funding arrangements for the scheme
- The Management Case – outlines how the programme/project will be set up and managed

A decision will be made to approve the use of resources and funds to develop the outline business case in readiness for Gateway 2.

Stage 2: Outline Business Case (OBC) – To be reviewed at Gateway 2

The purpose of the OBC is to revisit the SOC in more detail and to identify a preferred option which demonstrably optimises value for money. It also sets out the likely deal; demonstrates its affordability; and details the supporting delivery strategy, together with management arrangements for the successful roll-out of the scheme. At this stage it is expected that:

- The strategic Case – revisited
- The Economic Case – completed to the short-list stage with assessment of options and identification of the preferred option
- The Commercial Case – outlines envisaged deal structure(s) and key contractual clauses and payment mechanisms
- The Financial Case- contains a detailed analysis of affordability and funding arrangements
- The Management Case – develops in more detail how the scheme will be delivered with an outline of the proposed programme/project management arrangements

A decision will be made to approve the use of resources and funds to develop the full business case in readiness for Gateway 3.

Stage 3: Full Business Case (FBC) – To be reviewed at Gateway 3

The purpose of the FBC is to revisit the OBC and record the findings of subsequent procurement activities; together with the recommendation for an affordable solution which continue to optimise value for money, and detailed arrangements for the successful delivery of goods and/or services from the recommended supplier(s). This stage takes place within the procurement phase of the project, following detailed negotiations with potential suppliers but before formal signing of contracts. At this stage it is expected that:

- The Strategic Case – revisited and revised if required
- The Economic Case – the findings of the procurement included in the analysis and recorded
- The Commercial Case – the recommended deal is written-up
- The Financial Case – affordability and funding arrangements confirmed
- The Management Case – the detailed plans for delivery and arrangements for the realisation of benefits, management of risk, and post programme/project evaluation arrangements

An investment decision will be made at this stage to deliver and implement the scheme. The next review will be in-line with Readiness for Service.

Stage 4: Readiness for Service – To be reviewed at Gateway 4

Stage 5: Evaluation & Benefits – To be reviewed at Gateway 5

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PART A: EXECUTIVE SUMMARY

INITIATIVE NAME	[insert]		
REFERENCE TO RELEVANT BUSINESS PLAN AND/OR COUNTY STRATEGY	Y/N [delete as applicable - if 'Y' please specify plan/ objective ref]		
PART OF EXISTING CAPITAL PROGRAMME?	IF YES, REFERENCE THE PROGRAMME	DIRECTORATE	DEPARTMENT
Y/N [delete as applicable]	[insert]	[insert]	[insert]

1.0 EXECUTIVE SUMMARY

1.1 Executive Summary

1.2 Recommendation

1.3 Strategic case

- 1.3.1 The strategic context
- 1.3.2 Objectives
- 1.3.3 Benefits
- 1.3.4 Risks

1.4 Economic case

- 1.4.1 Key findings
- 1.4.2 Preferred option

1.5 Commercial case

- 1.5.1 Delivery strategy
- 1.5.2 Key contractual arrangements

1.6 Financial case

- 1.6.1 Table of Costs and Funding Arrangements
- 1.6.2 Overall Affordability and Availability of Funding

1.7 Management case

- 1.7.1 Key Arrangements

1.8 Financial Implications

- 1.8.1 Comments
- 1.8.2 Finance signature and date

1.9 Legal Implications

- 1.9.1 Comments
- 1.9.2 Legal signature and date

PART B: DETAILED CASE

2.0 STRATEGIC CASE

[The purpose of this section is to explain and revisit how the scope of the proposed project or scheme fits with existing business strategies and provides a compelling case for change, in terms of existing and future operational and investment needs of the organisation].

2.1 Organisational overview

[Please provide an updated overview of the organisation(s) making the case for investment in the scheme, with particular reference to purpose, structure, and operational environment].

2.2 Business strategies

[Please reference the business strategy for the organisation and any related national, regional or local strategies].

2.3 Other organisational strategies

[Please reference any other related organisational strategies, as appropriate].

2.4 Investment objectives

[List the investment objectives here. These should be SMART].

2.5 Existing arrangements

[The section describes the existing arrangements with regard to the investment – the status quo. This should include existing costs].

2.6 Business needs

[This section provides a detailed account of the problems, difficulties and service gaps associated with the existing arrangements in relation to future needs].

2.7 Scope and key service requirements

[This section describes the business scope and key service requirements for the project in relation to the above business needs].

2.8 Main benefits

[This section describes the main benefits and dis-benefits associated with the implementation of the scope in relation to business needs].

2.9 Main risks

[List the main risks, together with their mitigating action].

2.10 Constraints

[List the constraints the project is subject to].

2.11 Dependencies

[List the dependencies that will be carefully monitored and managed].

3.0 ECONOMIC CASE

[This section looks at the options that have been considered. At Proposal Stage this will be high level; at SOC stage this will include appraisal of the long-list options and identification of the short-list options with indicative costs; at OBC stage this will include appraisal of the short-list options and identification of the preferred option; at FBC stage this will include appraisal and selection of recommended supplier]

3.1 Critical success factors

[The critical success factors (CSFs) are the attributes essential to the successful delivery of the scheme, against which the available options are assessed. Alongside the assessment against CSFs is the assessment of how well the options meet the scheme's objectives and benefits criteria. More information is available within the Exploring the Way Forward guidance [link]].

3.2 Long-listed options

[This is the list of options that have been considered and appraised against the objectives, benefits and critical success factors. From this list you should identify the short list of options that will undergo economic analysis to identify the preferred option. More information is available within the Exploring the Way Forward guidance [link]].

3.3 Short-listed options

[This section details the short list options that were identified from the long list. These options are subject to appraisal to identify the 'preferred option'. At Strategic Outline Case we expect estimates +/- 50%; At Outline Business Case we expect estimates +/- 15%; At Full Business Case we expect to see contract prices].

*******Section 3.4 to 3.9 are completed as part of the OBC and revisited as part of the FBC*******

3.4 Economic appraisals

[This section looks at the expected costs and cash benefits for each of the short listed options. It includes calculating risks that can be measured financially and optimism bias. More information is available within the Determining Potential Value for Money guidance [link]].

3.4.1 Commentary of results

3.5 Non-financial benefits appraisal

[This section looks at non-cash releasing benefits, their weighting, score and impact on options ranking. More information is available within the Determining Potential Value for Money guidance [link]].

3.5.1 Commentary of results

3.6 Non-financial risk appraisal

[This section looks at the impact of non-financial risks - their impact, probability and score - on options ranking. More information is available within the Determining Potential Value for Money guidance [link]].

3.6.1 Commentary of results

3.7 The preferred option

[This section looks at the impact of non-financial risks - their impact, probability and score - on options ranking. More information is available within the Determining Potential Value for Money guidance [link]].

3.8 Sensitivity analysis

[As appropriate. E.g., Scenario / What If analysis].

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3.9 Preferred option

[Following the above appraisals and analysis, the preferred option should be confirmed below].

*****Section 3.10 to 3.17 is for use in the FBC only*****

3.10 Supplier appraisals

[This section is required for the full business case only. This is where we compare the potential supplier deals and agree the preferred supplier1]

3.11 The procurement process

[We used the following procurement route....The response to the OJEU was as follows....].

3.11.1 Long list criteria

[The long list criteria were as follows].

3.11.2 Long list

[The long list was as follows].

3.11.3 Short list criteria

[The short list criteria were as follows].

3.11.4 Short list

[The short list was as follows].

3.12 FBC - Economic appraisals

[This section provides a detailed overview of the costs and benefits associated with each of the selected service providers].

3.12.1 Commentary of results

3.13 Non-financial benefits appraisal

[This section looks at non-cash releasing benefits, their weighting, score and impact on supplier ranking].

3.13.1 Commentary of results

3.14 Non-financial risk appraisal

[This section looks at the impact of non-financial risks - their impact, probability and score - on supplier ranking].

3.14.1 Commentary of results

3.15 The preferred supplier

3.16 Sensitivity analysis

[As appropriate. E.g., Scenario / What If analysis].

3.17 Preferred supplier

[Following the above appraisals and analysis, the preferred supplier is confirmed below].

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4.0 COMMERCIAL CASE

[This section documents the proposed deal in relation to the preferred option outlined in the Economic Case. This may be brief at SOC, but will build in detail and accuracy through the OBC and then FBC]

4.2 Required services

[List the required services and/or goods]

4.3 Potential/Agreed risk transfer

[The general principle is that risks should be passed to 'the party best able to manage them', subject to value for money. This section provides an assessment of how the associated risks might be apportioned between parties]

4.4 Proposed/Agreed charging mechanism

[The organisation intends to make payments in relation to the proposed products and / or services as follows]

4.5 Proposed/Agreed contract lengths

[The following contract lengths will be considered]

4.6 Proposed/Agreed key contractual clauses

[These are]

4.7 Personnel implications (including TUPE)

[It is anticipated that TUPE will / will not apply to this investment]

4.8 Procurement strategy and implementation timescales

[Detail and list below]

5.0 FINANCIAL CASE

[This section outlines the costs and funding arrangements for the capital project following full business case approval]

5.1 Table of costs and funding arrangements

ITEM	ESTIMATED COST (£)	
Material		
Construction		
Project Management (Staff)		
Other (Please Specify)		
Total		
FUNDING SOURCES	AMOUNT (£)	Status (In bank, Secured, Not secured)
Government Grant		
Section 106/CIL		
Capital Receipt		
Revenue Contribution		
Borrowing		
Other (Please Specify)		
Total Funding		

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5.2 Impact on the organisation’s income and expenditure account (revenue account)

[To include the cost of pre-implementation feasibility study and other research]

[Also to include, post-implementation running costs and other revenue costs that may result from the project]

[To include any positive impacts on revenue following any income generated by the scheme]

5.3 Overall affordability & availability of funding

6.0 MANAGEMENT CASE

[This section sets out the arrangements for successful delivery of the scheme]

6.1 Project management arrangements

[Outline the project management arrangements and attach the project plan as an appendix]

6.2 Use of consultants

[List all external consultants used and their role]

6.3 Arrangements for contract management

[The strategy, framework and plan for contract management are as follows]

6.4 Arrangements for benefits realisation

[The strategy, framework and plan for dealing with the management and delivery of benefits are as follows.] [Attach the benefits plan as an appendix]

6.5 Arrangements for risk management

[The strategy, framework and plan for dealing with the management of risk are as follows]

6.6 Arrangements for post project evaluation

[The arrangements for post project evaluation are as follows]

6.7 Gateway review arrangements

[The proposed gateway review arrangements are as followed]

6.8 Contingency plans

[In the event that this project fails, the following arrangements are in place...]

7.0 Financial Implications

[To be completed by Finance]

Signature:

Date:

8.0 Legal Implications

[To be completed by Legal]

Signature:

Date:

9.0 Equality Impact Implications

[To be completed by author of Business Case]

10.0 Health & Safety Implications

[To be completed by author of Business Case]

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How will the project comply with health and safety legislation including Construction (Design and Management) Regulations 2015 (CDM). The Health and Safety Executive have a useful webpage dedicated to the CDM Regulations: www.hse.gov.uk/construction/cdm/2015/index.htm

11.0 Sustainability Implications

[To be completed by author of Business Case]

12.0 Well-being of Future Generations Act Implications

[To be completed by author of Business Case]

PART C: SUPPORTING EVIDENCE

For Completion by: Initiative Manager

In addition to completing/ updating the relevant sections of this business case, please provide the following supporting evidence along with each gateway submission:

GATEWAY	EVIDENCE REQUIRED
Proposal & G1	As per business case content
G2 to 5	Economic Appraisals
	Financial Appraisals
	Benefits Register
G5 only	Risk Register
	End of Project Report
	Lessons Learned Log

