

Business Case Guidance

**PLYMOUTH CAST BUSINESS CASE GUIDANCE**

This document provides the templates for developing business cases in Plymouth CAST.

A business case is an essential tool to professionally assess an opportunity or review a decision to commit resources, including money.

A business case should not be difficult or onerous to produce. This guidance provides two templates: a ‘Outline Business Case’ which should be as short as possible (certainly no more than 3 pages); and a ‘Full Business Case’ which will be longer. Both contain built in notes.

It should be obvious which template is more appropriate but if not; a good test is if the ‘Outline Business Case’ isn’t enough then there is no substitute for the ‘Full Business Case’. Alternatively it may be worth developing the ‘Outline’ version as an outline, then writing the ‘Full’ version if there is support for the idea.

**PLYMOUTH CAST ONE PAGE BUSINESS CASE**

|  |  |
| --- | --- |
| **Title:** |  |
| **Author:** |  |
| **SITUATION** |  |
| **Concept:** | *Describe the concept briefly. A useful method for objective analysis is MOSCOW analysis.* ***M****ust have,* ***S****hould have,* ***C****ould have,* ***W****on’t have.* |
| **Customers:** | *Who is this for?* |
| **Competition:** | *Are there any external drivers for this?* |
| **Creation:** | *What led to this opportunity or idea?* |
| **STRATEGY** |  |
| **Resources:** | *What do you need to deliver the proposal?* |
| **Risk:** | *What are the main risks?* |
| **Relationships** | *Are there any third parties that need to agree or support this?* |
| **Realisation of Benefits** | *What Benefits (and dis-Benefits) will this proposal create?* |
| **FINANCE** |  |
| **Budget** | *How much will the project cost in financial terms? Remember to look at both fixed and variable costs.* |
| **Funding** | *How do you think the project will be funded?* |
| **DELIVERY** |  |
| **Schedule** | *When can or should project be undertaken (eg not before/no later)* |
| **Impact** | *How will effectiveness be measured and who by?* |



Full Business Case

for

INSERT PROJECT NAME

**PLYMOUTH CAST FULL BUSINESS CASE TEMPLATE**

This document provides the template and guidance for developing a business case for a proposed project.

Not all items will be relevant to all cases and content can be overlooked depending on the scale and complexity of the project.

As a Multi-Academy Trust, Plymouth CAST and all its Academies operate under a Funding Agreement with the Education Funding Agency. This requires the Trust to make Statutory Declarations regarding appropriate scrutiny and value for money.

The submission of a Business Case will help support scrutiny and value for money by providing justification for undertaking a project; evaluating the benefits, costs and risks of alternative options and rationale for the preferred solution.

The ultimate purpose of a Business Case is to obtain management commitment and approval for investment in the project. The Business Case is owned by the project sponsor who will choose a project manager.

* The business case provides the justification for the project.
* The business case is used to obtain management commitment and approval for investment.
* The ongoing viability of the project will be monitored against the Business Case - It should be kept up to date with formal change control and used as the basis for decisions as to whether to continue with the project at gates and project reviews.
* All content guidance within this standard template should be met wherever possible. The level of detail however, will vary according to the nature and complexity of the project.

# Executive Summary

*GUIDANCE: An executive summary is a short business section summarising the main report. It presents the points simply in the business case for decision makers.*

*This section should be structured and referenced to enable the reader to easily refer to relevant sections in the main report for further details.*

*It should summarise the whole of the business case as briefly as possible (2-3 pages) under the following headings:*

* *Introduction and Background for the Project/Proposal (including issues, opportunities and drivers)*
* *Benefits and Capabilities to be delivered*
* *Strategic Fit (priority and objectives it links to)*
* *Scope – (what is in scope/what is out of scope)*
* *Options Appraisal (ideally 3 options including a ‘Do Nothing’ Option.*
* *Financial Summary for preferred option*
* *Key Risks*
* *Recommendation (including decisions required)*
* *Indicative Timescale for project*

# Project/ Proposal Introduction and Background

*GUIDANCE: This section should provide an overview of the current situation, what things look like now; what issues and opportunities exist; and what the desired outcome(s) is (are):*

## Current situation

*GUIDANCE: Current situation, opportunity or justification. i.e. Why is the project is worth considering?*

## Intended objectives, outputs and outcomes for the project.

*GUIDANCE: This section provides details of the key benefits and capabilities that the overall project is expected to deliver:*

* *Overview of key financial and non-financial benefits and targets*
* *How will these be measured, including any key success indicators*
* *Details of any interdependencies between benefits*

 *Key benefits and capabilities should link back to the capability gaps identified in the ‘current situation’.*

## Scope

*GUIDANCE: (what is in scope / what is out of scope)*

* *What functions does the project relate to or have impact on? For example School Improvement, EYFS, SEND or wider operational functions such as HR, Finance, Staff Wellbeing, Safety, Safeguarding etc.*
* *To what extent will the proposal incorporates or affect the schools current processes and systems (culture, workforce structures (including roles), skills, knowledge and competencies, suppliers, policy, legislation, regulation, governance and compliance, etc.)*
* *It is important to comment specifically on what is not included in the project to manage expectation and avoid doubt. For example; “the project will provide a new playing surface but existing lights, barriers and portable goal equipment will be retained”.*

## Strategic alignment:

*GUIDANCE:*

* *How does the project align with school development policy and strategy*
* *How does the project align with Plymouth CAST strategy/objectives/future plans*

## Assumptions

*GUIDANCE: Outline any assumptions made. List them if necessary. For example ‘part Lottery Funded, dependent on planning permission or renewed lease etc’.*

## Risks

*GUIDANCE: Projects always carry risk. Think carefully about what could happen before and during the project. For example ‘suspected contamination could lead to increased ground work, or, asbestos removal may be required, or, costs for xyz cannot be confirmed until surveys complete etc). Where possible explain how you think risk could be mitigated.*

## Constraints and Dependencies

*GUIDANCE: List any factors which may impact on the successful delivery of the project. For example ‘work can only be conducted in school holidays’ or ‘funding arrangements/charity status oblige us to make the new xyx available for community use xx hours per xyz’.*

# Options Appraisal

*GUIDANCE: This section describes options for either solving the problem or achieving the opportunity. The options should look at different levels of solution that will achieve the project aims and objectives and always including a ‘do nothing’ option. There are 2 kinds of options: - Business options – what the proposed solution is intended to achieve in business terms; Technical options – which considers how the proposed solution will be implemented, normally through IT. In practice these options work together, with the business options driving the business solutions. Options are driven by the following process:*

* *Identify possible options – workshops, scenario testing, process modelling, benchmarking etc*
* *Shortlist the options – 3-4 options, 1 of which is always do nothing. Each option should address the main issue but present a different scope and benefits.*
* *Evaluate the shortlist – The feasibility of each option should be considered under 3 main headings: business, technical, financial*

*The importance of this section is that it forces the sponsor to engage with stakeholders and other interested parties in order to consider possible alternatives before selecting the most appropriate. Unless this can be evidenced satisfactorily then there is always a risk that unconscious bias may have subverted the outcome.*

## Option 1 – Do Nothing

*GUIDANCE: Describe the implications of doing nothing.*

## Option 2 – *Insert Title*

*GUIDANCE: This should contain a high level overview of the options considered using the following headings and should be repeated for each option:*

### Description of the option and how it relates to need.

### Costs and benefit analysis

### Financial and non-financial benefits - full financial details should be captured for each option – use an appendix where necessary.

### Dis-benefits. As well as benefits there are usually dis-benefits. These should be carefully considered with mitigation. For example *‘new fencing and safeguarding arrangements will restrict parent access to xyx. This will be communicated in xyz’*

### 3.2.5 Risks / opportunities

### 3.2.6 Assumptions / Dependencies - Outline any assumptions that have been made in the calculation of costs, benefits and risks. If possible, give the rationale behind these assumptions

### Technical solution – Outline any technical capabilities and proposed technical solutions for each option and how they supports the project.

### Procurement Plan - Detail of procurement

### 3.2.9 Timescales

*GUIDANCE: The timescale for the delivery of the options and the benefits needs to be considered, particularly if different options have different timescales*

## Option No. - *Insert Title*

## *GUIDANCE: repeat as per Option 2 headings for each subsequent option to be included in the business case*

*GUIDANCE: Provide an overall summary cost benefit analysis of the options in a table together for ease of reference:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Option** | **Scope** | **Benefits** | **Dis - benefits** | **cost/benefit analysis** | **Timescales** |
| Option 1 – Do nothing |  |  |  |  |  |
| Option  |  |  |  |  |  |
| Option  |  |  |  |  |  |
| Option |  |  |  |  |  |

##

## Option Scoring

*GUIDANCE: Summary scoring table of each option. This section scores the pros and cons of each option. In some cases there will be a clear choice from the Cost/Benefit analysis. In other cases the choice will be more complex as different options may offer different non-financial benefits.*

*A summary of the scores should be provided in a table as suggested below*

|  |  |  |
| --- | --- | --- |
| **Option** | **Description** | **Total Score** |
| 1. Do nothing |  |  |
| 2. Title |  |  |
| 3. Title |  |  |
| 4. Title |  |  |

# Recommendation

*GUIDANCE: This section details the preferred option building on the summarised information provided in section 3 for the option.*

##  Rationale for preferred option

*Guidance: Set out the rationale for the preferred option and why others have been rejected. The scope for the option, including the goals and objectives should be described.*

## Financial Case

*Guidance: For financial the normal method is by using tables, a suggestion is shown below but other formats may be used.*

*All benefits should be captured and classified as either financial or non-financial, and the area that will realise the benefits (benefit owners) should be identified. An example table for capture is available in the appendices.*

*A simple cash flow comparison can be used without the complexity of using Net Present Values with their requirements to discount cash flows and allow for inflation.*

*Cashable benefits are cash benefits that can be removed from the business including headcount reductions (in whole people or Full Time Equivalent (FTE)), sale of assets or expenditure that need not be made.*

*Non Cashable financial benefits are financial benefits that can’t be removed from the business, for example saving part of someone’s time that could be redeployed elsewhere.*

*Cost should include anything we need to spend to carry out the project.*

*Financial Dis-benefits are any costs or dis-benefits including those to other people and should be included.*

*The Risk profile of different options may also need to be considered, more complex options may carry more Risk as well as greater potential benefit. The Risk Budget should be included as a cost in the evaluation. Alternatively a separate comparison of Risk could be included, as per cash flow table below.*

*End Assumptions need not be included unless required but allow for significant benefits or costs occurring after the end of the period to be considered.*

Cash flow table example

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Option  | Q 1 | Q2 | Q3 | Q4 | Year End | End Assumptions |
| Cashable Benefits |  |  |  |  |  |  |
| Non Cashable Financial |  |  |  |  |  |  |
| Cost |  |  |  |  |  |  |
| Financial Dis-benefits |  |  |  |  |  |  |
| Risk Budget |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |

## Benefits Realisation

*GUIDANCE: A description of how the benefits will be realised, when they will be released and how they will measured should be included.*

## Risks

*GUIDANCE: Description of the relating to the option should be listed. A Risk Budgets should be incorporated into the financial assessment if relevant.*

## Assumptions

*GUIDANCE: Assumptions used in developing the option should be listed.*

## Procurement Approach

*GUIDANCE: Describes the procurement approach to be used for example, ‘make or buy’, the use of internal or contract staff, in house development or commercial software.*

## Delivery Approach

*GUIDANCE: Approach for delivery, for example: soft or hard launch, single or cross-functional approach, ‘big-bang’ or phased delivery.*

## Resources

*GUIDANCE: Describes the resource requirements for the project definition and implementation.*

## Key milestones, dependencies and Timescales

*GUIDANCE: Include an indicative timescale of the key milestones together with and dependencies. Attach high level project plan*

## Governance

*GUIDANCE: should include:*

* + *Sponsor – senior manager (typically a director or head of department) owning the business case*
	+ *Director or Head of Department – Manager with responsibility to oversee and steer this project, typically delegated by the sponsor as the "customer" and is responsible for sustaining the improvement in the long-term. This person will need to approve the business case.*
	+ *Finance Manager – Manager with financial responsibility who will sign off the benefits.*
	+ *Insert a project organisation chart showing governance arrangement using programme/project roles. This should correspond with the Approvals section at the start of the document.*

## Quality Assurance

*GUIDANCE: d around the design of the project? Start with the terms of business and then move on to technical design of project. Pay close attention to regulatory issues or statutory compliance and identify what MUST be addressed and what MIGHT need to be addressed.*

## Communication and Engagement

*GUIDANCE: Identify the Key stakeholders who will see benefits/dis-benefits and create a high level plan of how the initiative will be communicated. A draft communication and engagement plan should be attached as an Appendix.*

### 5. Summary and Next Steps

*‘Next steps’ Describes what actions need to be taken including what approvals are needed and by when to deliver the recommendation.*

*At the end of this section, the reader should be very clear about what will be delivered what the benefits will be, how they will be measured, what the risks are, what the timescale is, what it will cost and why they should do the chosen activity.*