esd-toolkit

Social and Economic Business Case Tool
Web application version

Facilitator Guide

Version 1.0 – 12th January 2011

Contents

Version Control

Date	New revision	Change Authority	Changes	
			Reference	Comment
30th November 2010	1.0 draft	Paul Waller, Director – Delivery Innovation Team	Draft	
12th January 2011	1.0 final	Paul Waller, Director – Delivery Innovation Team	Final	

Introduction

This Guide

This guide has been written to support facilitators in using the Social & Economic Business Case tool in its 'on-line' version, to develop business cases for and with key project stakeholders. It does not duplicate the supporting information that is built into the tool but will set the scene for each step in a way that can be used to introduce it to the stakeholders. It will also highlight the important or tricky aspects of each step that might need special attention from the facilitator.

Accompanying this guidance is the 'Business Case Tool Facilitators' Checklist' which provides prompts to the actions needed at each stage of the process and will help in keeping a record of the facilitation event. This document and the 'Facilitators Checklist' can be downloaded from the [Facilitators' Guides sub-page](#) of the [Social and Economic Business Case Tool Introduction page.](#)

- **Before you start**

Before starting to use start to use the tool you may need to explain to project owners or stakeholders how to register on esd-toolkit and then how to access the tool. You should provide the group you are facilitating with the email address of the esd-toolkit support team, they (not you) are the first point of contact on any technical issues about registration, navigating to the Business Case tool or system faults. Their email address is:

support@esd.org.uk

- **Registering on esd-toolkit**

If you are reading this document as an approved esd-toolkit supplier you should have been registered on esd-toolkit and have been given access rights to the Business Case tool and other resources.

For local authority staff and individuals with a **.gov.uk** email address, registration is 'Free' from the esd-toolkit site www.esd.org.uk. Aside from approved suppliers esd-toolkit has two levels of users:

- o Users from esd-toolkit subscribing organisation who have full access to all the esd-toolkit resources. These are known as Subscribed Users.
- o Users from non-subscribing organisation – who have limited access to esd-toolkit resources. These are known as Registered Users.

New users are required to fill in a registration form after which they will be e-mailed a password. Organisations other than local authorities including NHS, Voluntary sector, other known LA partners are often allowed in as Registered Users upon request to esd-toolkit support.

The Business Case Tool is available to users from both subscribing and non-subscribing organisations. Users can see if they belong to a subscribing organisation when they log into esd-toolkit; to the right of the screen under their login details they will see their organisation name. If the word 'Subscribed' does not appear they will not be able

to access all of the resources in esd-toolkit and under the 'Effective Service Delivery' area (see navigating to the tool below).

- **Navigating to the tool**

There are a number of ways that users from registered and subscribed organisations (and an approved esd-toolkit supplier) may navigate to the Business Case Tool from the 'home page'[1] of esd-toolkit.

For 'new users' the following navigation 'links' options are beneficial in that they allow the user to navigate to the tool through a layer of supporting context guidance and with signposting to a wider collection of aligned resources (some of which are only available to users from subscribed councils):

- o **Quick Links: '**Effective Service Delivery' and the sub-categories of:
  - - 'Frontline services for disadvantaged people'
  - - 'Use of technology for frontline service delivery'
  - - 'Innovation and transformation of services'
- o **Communities: '**Effective Service Delivery' and the sub-categories of:
  - - 'Frontline services for disadvantaged people'
  - - 'Use of technology for frontline service delivery'
  - - 'Innovation and transformation of services'

Using these links will initially take the user to the **'Effective Service Delivery'** page. From this page **either taking the side-link 'Social and economic business case tool' or the 'Social and Economic Business Case'** link on the 'Innovation Diagram' **will take the users to the 'Social and Economic Business Case Tool' information page**; from here they can use the **'Access the Business Case Tool'** link to go to the home page of the tool.

For users who have used the tool before the Business Case tool can also be accessed directly via the 'Tools' menu on the esd-toolkit home page.

- **Setting up projects and managing access**

Entry to the Business case tool is available from Business Case Tool home (login) page and by taking the menu option 'Start New Project'

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[1] http://www.esd.org.uk/esdtoolkit/Default.aspx

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The screen shot above illustrates the distinction between:

Your Projects: Business Case Projects that have been entered by a user and are therefore deemed to be 'owned' by them.

Other Projects: where other owners have given 'read/reviewer only' access to a business case and which provides the opportunity to review the content and comment on the bottom of each section.

As the projects are 'owned' by the local authority, the officer who is leading on the Business Case work should enter the project into the system (not the facilitator) but allow the facilitator to modify the content during a facilitation event and as is necessary through to the Business Case being agreed and signed off by the stakeholders – see the section 'How it is best used below'

Read/reviewer access can additionally be granted by the Project Owner by taking the 'manage access' option and completing the on-line form. Completion of the on-line form serves to grant access and invokes an email confirmation to the person granted with the rights. The email contains the URL address to the project's home page. The reviewer will have rights to comment on each section of the business case but not to change content.

When comments are added the owner will see a 'View Comments' button. Clicking on the button will take you to a separate page detailing all the comments that you have received for that business case. You will be able to print them off and than go into the business case and make any changes you see fit to reflect the comments received.

The purpose of the tool

The Business Case Tool helps produce a concise case to inform the initial decision about a project - to answer "is this worth doing?" - and provide the business justification for doing it. It is sufficient to provide the strategic case for change for most projects, but has sufficient coverage that for smaller or simpler projects within public organisations it has enough to support an investment decision. For larger or more complex projects it is likely that more developed business cases will be needed.

It is designed to make it easier to produce a business case for projects with social outcomes and longer-term external benefits.

This tool can be used for any type of project, but it is specifically designed to deal with projects relating to social inclusion and builds in a number of features that help to construct business cases for such projects. These are the parts that deal with multiple stakeholders, comprehensive benefits identification (particularly non-financial and ones accruing outside the project's own organisation), and equivalent identification of burdens[2] imposed on people as a result of the project - something often overlooked yet critical to understand and deal with in the project.

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[2] A burden might be a direct cost borne by a stakeholder, indirect cost related to time and effort, or a potential negative outcome which might make the stakeholder less supportive of the project during delivery.

It is specific to a project rather than a programme; it works much better on sharply defined projects with clear objectives, rather than programmes consisting of multiple sub-projects aligned to a broader set of goals.

The expectation is that the audience for the tool's output will be the investment authority in the body providing the majority of the finance and/or the organisation owning the project, and the key stakeholders in the problem that is being addressed and in project delivery.

The business case context

The tool draws on HM Treasury's best-practice 'Five Case Model' for the preparation of business cases. This says a business case should have 5 sections:

- The Strategic Case (focusing on rationale for the proposal)
- The Economic Case (Public Value/ Value for Money)
- The Commercial Case (Commercial viability)
- The Financial Case (Affordability)
- The Management Case (Programme and project management arrangements).

It also sets out the several iterations that a business case must go through to reflect the development stage of the proposal[3]. The tool also draws on methods for assessing Social Return on Investment.

The tool is focused on the Strategic Outline Case iteration, covering at first mainly the strategic and economic sub-cases. However, it looks upwards to business strategy and downward to detail appropriate to an Outline Business Case in order to make it self-contained and meet the objectives for its use as set out above.

The business case process is often iterative. The case is a live document to be revisited during project delivery, particularly for larger projects, and aspects such as procurement strategy, operational implementation and accounting treatment are developed progressively, beyond the level of detail covered by this tool.

Even for small projects or ones where no formal presentation for approval is required, it is worth developing a short, succinct business case. This is because business cases answer some key questions at the start of the project, which if left unanswered, could derail a project much later on when resources have been expended. They are also important for benefits realisation, to provide the basis for evaluation, and keeping the project team focused on delivering the impact envisaged when the idea was originally conceived. It also provides others who may later wish to do a similar project with the means to quickly understand its rationale.

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[3] See http://www.hm-treasury.gov.uk/d/greenbook_businesscase_shortguide.pdf

The tool components

There are three Phases to developing the business case using this tool:

- **Phase 1**: establishes the strategic and economic arguments for a deliverable project (but not its affordability). Phase 1 assesses how compelling the proposed project is, in relation to solving a specified problem, relative to alternative courses of action (including Do Nothing). This can be refined iteratively until there is a well defined project likely to attract an investment decision, before getting into detailed analytical work.

  Phase 1: uses relative (ordinal scale http://en.wikipedia.org/wiki/Level_of_measurement) scoring for speed and simplicity, as opposed to absolute values of costs and benefits, and presents the results in a visual manner better to communicate the relative merits of the options, and stimulate stakeholder engagement.

- **Phase 2:** briefly covers risk, dependencies, and project planning to the level necessary at this stage of the business case development, i.e. some of the management sub-case issues.

- **Phase 3:** completes the case development, addressing the quantification of costs and benefits, and the affordability of the project to the investing stakeholders (the financial sub-case). The financial analysis looks at costs and benefits from the point of view of the investing organisations, so the individual stakeholders from Phase 1 are mapped to these in this Phase. The longer term, and external, social and economic benefits of the case are also identified in Phase 3, building, where available, on economic benefits of social outcomes published in research and HMT guidance.

  At the end of Phases 1 and 3, a summary narrative can be added and a report can be printed.

Note: many people do not appreciate the distinction between the economic case and the financial case, so the facilitator may need to explain. The former assesses the overall public value of doing the project, the latter works out whether it can be afforded at this time.

How it is best used

This tool is designed to be used by a facilitator working with key stakeholders in the problem and solution, notably the problem/project owner. It can also be used effectively by a facilitator with just the project owner, but that loses the benefit of diverse viewpoints, wider knowledge, and stakeholder buy-in, so a later step to validate the output with stakeholders is likely to be necessary.

It is important that the key stakeholders who are impacted by the business case, and/or are vital to project delivery, see drafts, are able to comment, can agree the final business case and are able to validate the costs and benefits associated with them.

> The project owner, not the facilitator, owns the business case. Make this clear. As a facilitator, you support the process to make it the best it can be: the responsibility for the content and decision lies with the organisations involved.

Phase 1 is best completed in an interactive meeting of 3 to 5 of the main stakeholders, including the owner, led by the facilitator. Phase 2 benefits from some conversations with specific stakeholders, on risk and project planning for example, but could be treated in correspondence. Some background work and desk research is then likely to be necessary to assemble the detailed figures for Phase 3.

In **Phase 1**, clearly there is planning and organisation involved in getting key stakeholders together for what is at least half a day. The expected time to complete Phase 1 is about 3 to 4 hours, at which point the participants will have had enough.

There is a natural break point both in process and decision terms at the end of this phase, so the ability to print a 'Compellingness Report' report for circulation and seek endorsement is provided. This provides a check point before moving on to the detailed work on the manageability and affordability of the project.

> There is a key principle involved in the group dynamics of Phase 1 and the facilitator must set the rules and expectations. Because part of the point and value is to reach a conclusion within the setting of the group session, with the commitment of those present, the end product is the final product: "when it's done, it's done". In other words, the output will not be modified after the meeting (except for tidying up or clarifications in the cold light of morning).

Phase 2 is well suited to group work, but not necessarily with the same people as in Phase 1 as additional expertise in project delivery and risk identification is helpful. However, if the outcomes of Phase 1 were clear-cut and the right people were there with the time and energy to carry on after the group session on Phase 1, then it may be possible to move on and attempt Phase 2.

Phase 3 is less amenable to being completed in a creative group scenario as it relies on more specialist knowledge, particularly of project costs, and probably some prior research for data on costs and benefits. Some figures may need to be researched or to be validated with people outside the stakeholders. So it may be better to complete this phase yourself with key contributors and then take it to the stakeholders. Sources of some social and economic figures can be found through the HM Treasury web site[4].

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[4] http://www.hm-treasury.gov.uk/data_greenbook_index.htm

The role of the facilitator

The job of the facilitator is to extract from the project owner and stakeholders the necessary and sufficient amount of information to complete all the steps in developing the case. The acid test of the end result is whether a sceptical newcomer to the project can read the case and quickly get a clear and comprehensive understanding of the project and its rationale.

An understanding of the context of the project is very useful as that helps lead the group to explore the full range of stakeholders, benefits, and burdens, and identify alternative options, and also to probe the consistency between the definition of the target population, the statement of the problem, and the definition of the project.

In Phase 1, the facilitator needs to inject a lot of energy into what can be a long and difficult discussion, to keep it moving forward steadily. Equally, the facilitator needs to be able to probe persistently at an area if clarity is not readily forthcoming. A complete grasp of the tool is necessary, together with the ability to steer assertively a group discussion. It may well be necessary to resolve differences in views, or challenge constructively incomplete or inconsistent statements. The facilitator should make full use of the built in prompts and explanations to help the group focus on what is being asked of them. The facilitator must explain and feed back to the group the outputs of the tool and their meaning.

Phase 1: The Strategic and Economic Case

Phase 1 Step 0: Contents

A quick first step is to complete the information on the *Contents* page. This information will appear on the title page of the business case when completed and it is particularly important to have:

- a contact name and email address for stakeholders to respond to questions and comments on the business case
- a list of stakeholders who have collaborated in the development of the business case

The contents page also helps to track progress completing the different steps of the business case – on completion, all of the steps will turn green and the business case will be ready to be printed and shared.

A good way of sharing the business case is to output it to a pdf file. The 'print compellingness report' button on the Contents screen will provide a report in .pdf format for you if you want a .pdf version to email to stakeholders. Please do note however that the nature of the automated formatting of the outputted pdf report may produce some misalignment of tables and content across pages and you may consider it to be necessary to use a pdf editor to correct the formatting.

4. Print Your Strategic Outline Business Case

Print Compellingness Report

Phase 1 Step 1: Project Definition

This is in two parts: problem definition and project definition. When complete, this is a concise summing up of the proposition and has enduring value in communications about the project. The facilitation challenge is to get every aspect recorded in short, simple, plain language sentences, and the whole to be completely internally consistent. Experience has shown that this is the most exhausting but valuable stage, as it is continually surprising how frequently an apparently well thought through proposal contains inconsistencies or vague elements.

You will see that the prompts are always driving towards narrowing things down to specifics, like asking for a really narrow definition of the target group, and a definition of the problem as one that is within the explicit reach of the project. For example: "school leavers on this council estate do not have the ability to produce an attractive CV" is what we are looking for instead of "young people are not getting jobs". This enables the construction of a robust and well-defined case — and flushes out inconsistencies — through being able to show a clear linkage between intervention and outcome. Lower ambition and realism is likely to trump over-ambition and optimism. The facilitator will often be needed to probe ever deeper in search of the brilliant sentence that sums it all up precisely.

Possibly the most important bits are Questions 5 and 8, where firstly the problem and then the project get described. **Being clear about the problem that is being addressed is fundamental to the strength of the case**. The project definition must cover who does what, for whom, how, why, where and when; what the end result looks like. Again, comprehensive but concise and precise text is what is needed. The clearer the thinking in — and consistency between — these bits, the easier is the rest of the case development.

The problem definition must be **completely independent** of the solution being proposed. All of the key steps in this process (defining stakeholders, identifying options, identifying benefits and burdens, analysing effectiveness, etc) depend on the definition of the problem, and any uncertainty or skewing of this bit will mess up the whole exercise. So work the group hard here.

The indicators of success must relate to **solving the problem, not success in relation to the proposed project** (as they will be used to compare the effectiveness of the proposal in solving the problem relative to the alternative actions). The facilitator may need to push for outcome measures, and indicators that can have at least a relative measure (i.e. this amount of it is more than that amount but less than the other), and to ensure that they do not inherently **build in a bias** towards the proposed option, or indeed to doing a project (to give Do Nothing a fair chance!).

Identifying the alternative courses of action that could solve the given problem is another area where the facilitator may be called on to be challenging. In defining two other alternatives, there may well be a long list available from previous work e.g. in an innovation process. But the art here should be to come up with the ones that an informed critic would suggest: "Why don't you just do X instead?" If the proposed project uses digital technology, the aim should be to have at least one alternative that is **not** technology-based! There is an input box at the end of this phase to detail how the alternative options were developed, in order to provide some confidence that they are realistic alternatives.

> It is an essential part of the process that you select two viable alternatives. The business case will be patently weak if the proposition has been tested against poor options. Similarly there needs to be some clear differentiation between the options – the business case will be weak if the options are just minor derivatives of each other. So **realism** and **differentiation** are essential characteristics of the selected options.

The Do Nothing option must always be there — Treasury rules. It really means "no change: maintain current situation", and **not** "stop existing services" (that is an option for change in itself)!

Note on VFM and cost of options

Phase 1 does not explicitly work out the cost of the proposed project or alternative options: the approach is to only do detailed work on this after the strategic case for the proposal has been made (in Phase 3). Developing costs at this stage does not lend itself well to a collaborative workshop environment, and is unnecessary at this stage for the options comparisons. However, this gives rise to a number of issues that the group can raise, as below. In addressing these points as the facilitator, please affirm that the whole process is assumed to take place in a real-world environment where there is knowledge (e.g. of order of magnitude costs) and common sense, so:

- What if one of the alternative options is believed to be so expensive it would be unaffordable and not really likely to be adopted? Well, it isn't really an alternative option is it then! It smacks of putting in an infeasible alternative to increase the chances of your proposal looking good, and any reader of the business case will spot that and discredit the analysis. So find a more realistic alternative course of action for the analysis instead.

- What if, at the end of Phase 1, one of the alternative options looks about as good as the proposal but is likely to be a lot cheaper? Well, if it was your money you'd choose to do the cheaper alternative instead wouldn't you, so that's the obvious conclusion: that becomes the proposed project and the original one is an alternative. The cheaper alternative goes into the Phase 2 & 3 analysis. (In practice this would require Phase 1 to be re-completed from the perspective of this preferred option in order for the details of the project to be consistently carried forward into Phases 2 and 3).

- What if, at the end of Phase 3, the chosen proposal now looks unaffordable? That is the point of the Financial Case (Phase 3 part of the business case): to determine affordability. If the project isn't affordable there isn't a case to do it, so the search is on for an affordable alternative to do a case for instead.

At the end of Phase 1 there is a narrative box to record any of the above discussion or debate in the workshop on relative magnitude of costs of the alternative options.

Phase 1 Step 2: Stakeholder Identification

The process of driving out benefits and burdens, particularly in relation to projects with social outcomes, is done by taking the perspective of each stakeholder, one by one, on the impact on them of the problem and the solutions. This borrows from the work done on methods for measuring Social Return on Investment (SROI).

So the aim of this step is to list all of the stakeholders in the **problem** and **all of the alternative solutions**. It could be a long list, and the group could decide that some are sufficiently marginal that they could reasonably be left out to give a more compact a set of significant stakeholders that is necessary and sufficient to evaluate the various courses of action. The progress indicator expects at least 3 stakeholders to be entered in column 3.

To help with this, we use a pictorial model of stakeholder categories. This basically works upwards and outwards from the client beneficiary, with each category having a suggested list of potential stakeholders, accessed via a drop down list. Working through the model and the lists ought to help elicit all possible stakeholders. The lists are standard ones from a framework derived from research. The facilitator should make sure every category is investigated (there may be no relevant stakeholders to find, but they must be sought).

The model, category and stakeholder type are provided as prompts to consider a wide range of stakeholders. Ultimately they are a means to developing a clear list of specific stakeholders (in column 3) — and it is these that are carried forward to through to subsequent steps in the tool not the categories or types of stakeholder identified.

Furthermore, the stakeholder 'type' lists, while comprehensive, do not necessarily capture all possible stakeholder types — each drop down list has an 'other' category that can be used for those stakeholders which don't fit into one of the pre-existing 'types' in the lists.

For each type of stakeholder identified from the lists, the tool requires a specific name. Again, the facilitator needs to force this to be as precise as possible, even down to a named individual or job role.

The stakeholder list should not include those solely involved in a project itself (so not the funder of the project or the project team) — we presume that they will just be doing their day job as engineers or whatever without a personal stake in the problem or its solution. The identification of funding organisations will be left to Phase 3.

So the best sequence of steps to identify all relevant stakeholders is

- Work through the stakeholder model categories one by one
- Go through the nature of the problem to find any omissions
- Go through each solution option to find any omissions

> Do not, we repeat, **do not** let the group get away with just listing stakeholders who are likely to benefit from their proposed project. That will be spotted and discredit the analysis. The stakeholders must relate to the **problem** and the **range** of alternative solutions, including doing nothing.

Phase 1 Step 3: Benefits and Burdens Analysis

There are two components in this Step: a benefit prompter and the table of benefits and burdens to be created. The progress indicator expects at least 3 each of benefits and burdens.

The prompter does what it says, using drop down lists derived from a standard framework of social benefits. Use this liberally to inspire the group.

To fill in the table, use the drop down list of stakeholders to fill in the cells in the first column. Many stakeholders will appear more than once in this column as they will have more than one benefit or burden, or both benefits and burdens. The remaining columns are self-explanatory and some have drop down lists. The notes column is there to record any explanation that may be necessary for future readers or editors — don't use it unless this need is apparent.

However, you really need to **drive down below the generic benefits** provided (similarly with burdens) to pin down the specific changes envisaged, in order to effectively differentiate between the options.

It isn't necessary for every stakeholder to have both benefits and burdens, but if they have neither at the end of this step in the process then it is worth checking that they are an important stakeholder in the project. Burdens are especially easy to omit

Remember we are aiming to identify the benefits and burdens of **all** the services or products created by the project and alternatives, and Do Nothing.

A practical way to work through this after the initial ideas have been captured is to go through the lists of stakeholders from the top and then for each alternative action ask: "assume the project/Nothing/option 1/option 2 has been done, what are the benefits to this stakeholder? What are the burdens?" Then scan the 4 options for other ideas, and end with the open question "any more?". Getting all the benefits and burdens captured to enable a comprehensive relative evaluation of the options tends to need a thorough process like this. Don't let the group get away with biasing towards the benefits of the proposal! For fairness, the specific benefits and burdens associated with each option need to be considered, but it actually does not work to have too few burdens overall as their weighting becomes distorted and the overall results can look unrealistic.

Hint on identifying burdens

Experience has shown that groups find it harder to identify burdens than benefits. To stimulate thought, try exploring the situation of each stakeholder using phrases beginning: Effort to …, Cost of …, Time to …, Inconvenience of …, Difficulty of …, Risk of …, etc. And don't forget the burdens on stakeholders of Doing Nothing.

Also, as with stakeholders, do not include the work on the project itself as a benefit or a burden (e.g. a delivery supplier benefiting from receiving a contract for the work shouldn't be recorded). The process works best in three stages. First, identify all the benefits and burdens as in the box above.

Second, apply any weighting required, changing the weight from the default "Medium" as desired.

For each row, then move to the relative scoring process. This is intended to be quick, and the immediate intuitive response of the group in ranking the degree of the benefit or burden in question that arises from the four alternatives is probably fine. It is OK for two or more projects to score the same. Try to use the full range of scores available, but don't agonise over whether one is exactly twice the other.

Scoring "Do Nothing" can sometimes seem a bit hard. Care is certainly needed, as the point is to capture the implications of doing nothing on an equal basis to doing one of the projects. So you have to imagine a future where nothing has changed in the same way as for the project you imagine a future where there is a something new in place.

Don't worry about the calculations at the bottom: you can largely ignore them as they get carried forward to the analysis stage later.

Note on classifying benefits and burdens

Later, in Phase 3 when we come to quantify benefits and burdens, the tool will unobtrusively direct you to classify each benefit or burden according to the following four categories. So it is worth bearing them in mind at this stage to help drive out all possible benefits and burdens, particularly less obvious non-financial ones.

- Financial: Cash Releasing/ Consuming; direct cash benefits/costs e.g. operating cost reduction, revenue increase etc.
- Financial: Non Cash Releasing/ Consuming; indirect cash benefits/costs e.g. staff time savings which can be quantified financially but don't release or spend cash.
- Non-Financial: Quantifiable; non-financial performance indicators e.g. reduction in number of customer complaints, reduction in road accidents.
- Non-Financial: Non-Quantifiable; softer, more qualitative benefits e.g. staff morale and staff skills.

Phase 1 Step 4: Effectiveness

This step assesses how well each option does in delivering against the chosen success criterion from the Problem Definition stage. These are written in automatically.
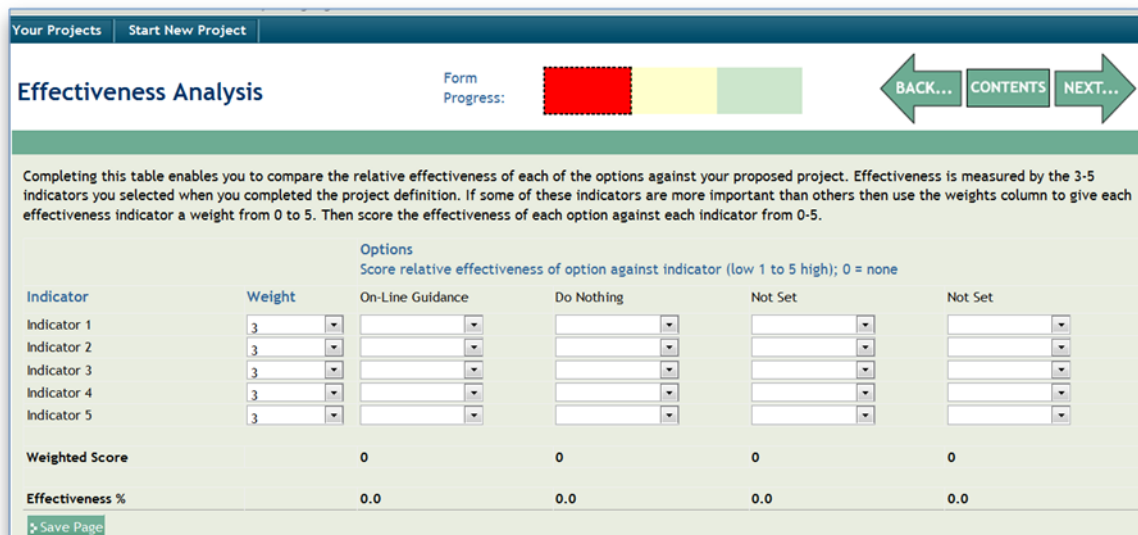
Before starting the evaluation the use of weights should be considered. The default option is for all indicators to be weighted equally. However if it is clear that some indicators are more important than others then the weights can be adjusted accordingly. This is not essential, but usually there will be a feeling that some outcomes are more important than others.

You have the choice to assign weights to each success criterion on a scale of one to five. The final analysis of the relative compellingness of the alternative options is quite robust to the choice of weights here, but the identification of the relative strengths and weaknesses of the options **is** dependent on the weighting of importance of the outcomes. So it is worth doing this.

The scoring of the effectiveness of each alternative is again a relative scale, so you just ask each time whether the options will do better or worse than each other in achieving the particular outcome.

Once again, scoring "Do Nothing" may seem a bit odd, but as before you have to envisage a situation in the future where nothing has been done and assess the effects of that, as if it were a deliberate action.

The calculations at the bottom just normalise the scores and aren't important at this stage.

Phase 1 Step 5: Achievability

This step assesses the chances of actually succeeding in delivering each of the alternative projects. The criteria are preset and are widely used indicators of success for a project, derived from such sources as the Office of Government Commerce's Successful Delivery Toolkit.

Again the group has the opportunity to assign weights to the criteria. We recommend keeping the top two at five. The default option is for all the other criteria to be weighted equally. However if it is clear that some are more important than others then the weights can be adjusted accordingly. There may be an obvious reason for change, such as if there is no constraint on any IT solution.

The first two criteria relate to solving the problem (there is a pervasive enthusiasm for change and someone with authority is ready to lead that change) so are allocated common scores apart from Do Nothing which scores the complement of the others (5 – X), and this is calculated automatically.

> Each criterion has some very specific prompts in pop-up comments — do use them. Assess each alternative against the scale suggested in the pop-up.
>
> Once again, scoring "Do Nothing" may seem a bit odd. You have to envisage a situation where you explicitly propose to Do Nothing, and apply the same scale in the pop-ups to that in the same way as the active options. Generally, Do Nothing scores quite highly as inertia is mostly easily achievable, but don't take that for granted.

Note that the Achievability Criterion "receptive stakeholders" is not correlated with the beneficiaries of the solution, as this criterion is about the a priori reaction to the idea of each of the alternative actions (as described in the prompt) rather than the value of the resulting service. A subtle difference!

The calculations at the bottom just normalise the scores and aren't important at this stage.

Criterion	Weight	On-Line Guidance	Do Nothing	Not Set	Not Set
		Options			
Appetite for Change ▼	5				
Committed leadership ▼	5				
Strategic & policy fit ▼	3				
People to deliver project ▼	3				
Money Available ▼	3				
Feasible process change ▼	3				
Enough Time ▼	3				
Fit with current ICT ▼	3				
Products & services available ▼	3				
Receptive stakeholders ▼	3				
Weighted Score		0	50	0	0
Achievability %		0.0	29.4	0.0	0.0

Phase 1 Step 6: Options Comparison Summary

At the end of Step 5, four charts are available for review, which compare the project against the alternatives. This section provides some notes on interpretation.
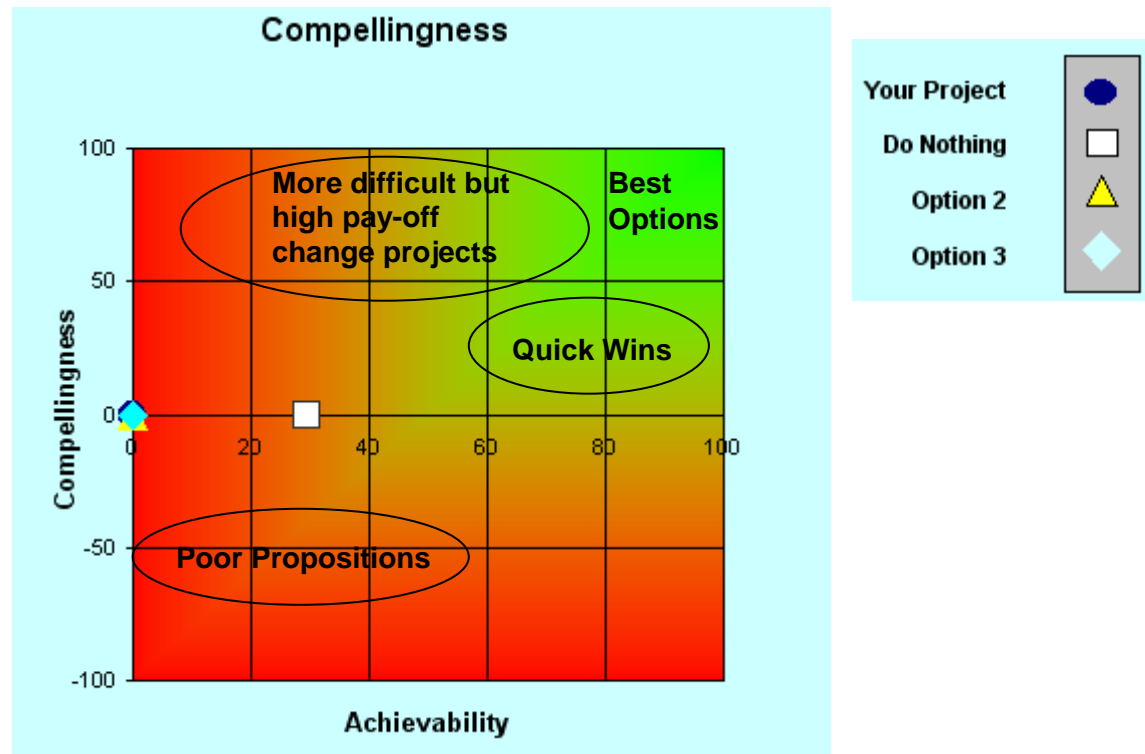

The first chart is an overall summary, and essentially a composite of the other three charts. It illustrates Compellingness against Achievability for all the options. Compellingness is a summary score calculated from individual Benefit, Burden and Effectiveness scores[5] and is a number between +100 and -100. Some points to note:

- Options in the 'top right' green zone are clearly the most compelling and deliverable propositions. They score highly on Benefits, Effectiveness, and Achievability and have few burdens – **Best Options.**

- Conversely projects in the 'bottom left' red zone are the least compelling and most difficult to deliver – **Poor Propositions.**

- For relative comparisons - projects that are both above and to the right of other options are potentially more attractive propositions – more compelling and easier to deliver.

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[5] Compellingness is the average Impact (Average of Benefit and Effectiveness scores) from which the burden score is subtracted.

- In the absence of a major driver or stimulus for change, the Do Nothing Option will often score highly on *Achievability* — it's often easier to do nothing and maintain the status quo. However, Do Nothing will often score much less than other options on Compellingness. So projects that score high on Compellingness but lower than others on achievability shouldn't naturally be eliminated — these are more difficult to deliver but potentially **high pay-off** projects.

- Similarly, highly achievable projects with moderate compellingness represent projects, which are potentially '**Quick Wins**' compared to other options.
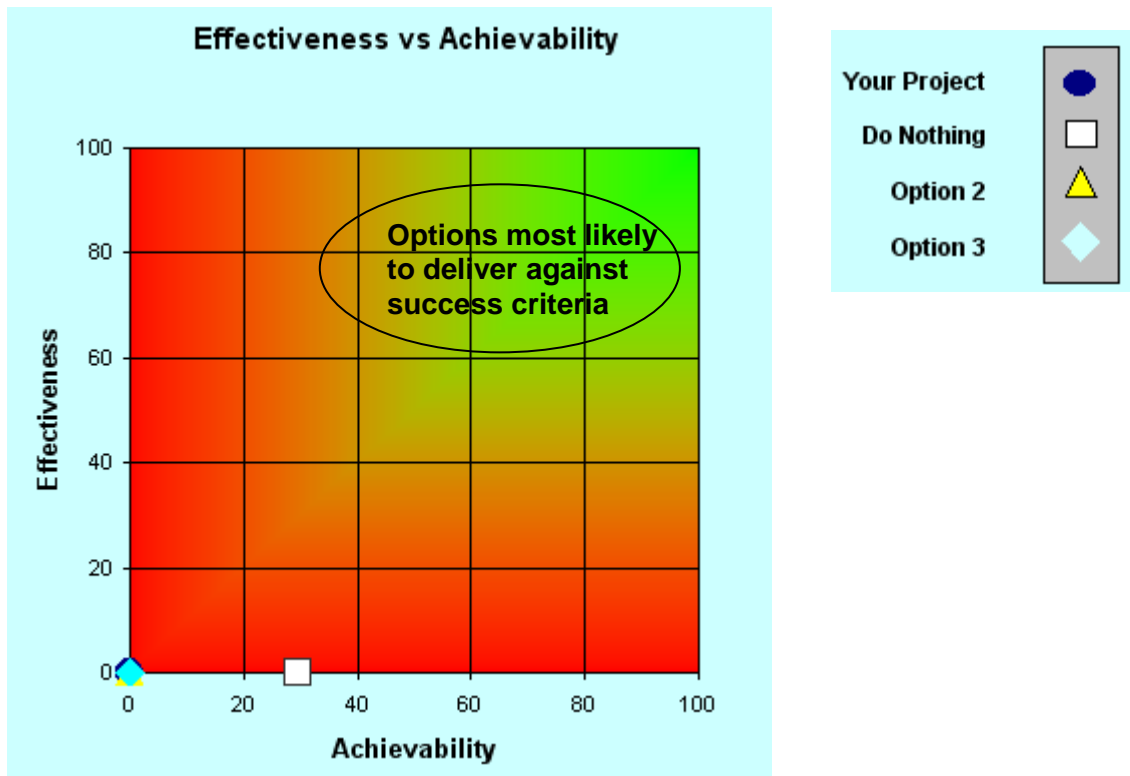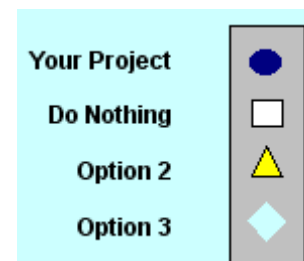

The second chart plots Effectiveness against Achievability. Some points to note:

- Options in the 'top right' green zone are those that are most likely to deliver against the indicators of success identified in the project definition step. They are also the most achievable.

- Conversely projects in the 'bottom left' red zone are the least likely to deliver against the indicators of success.

- For relative comparisons, projects that are both above and to the right of other options are potentially more attractive propositions — more effective at delivering against indicators of success and easier to deliver.

Benefit vs Burden
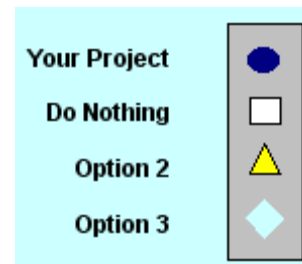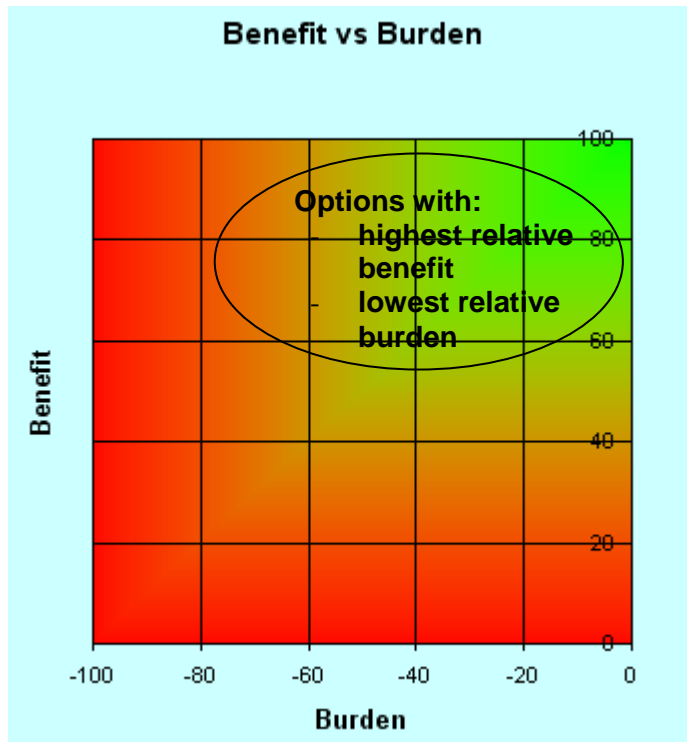
The third chart plots Benefit against Burden. Some points to note:

- Options in the 'top right' green zone are those that offer the highest relative benefits and lowest relative burdens for all stakeholders.

- Conversely projects in the 'bottom left' red zone offer the lowest relative benefits and the highest relative burdens.

- For relative comparisons, projects that are both above and to the right of other options are potentially more attractive propositions — offering higher relative benefits and lower burdens.
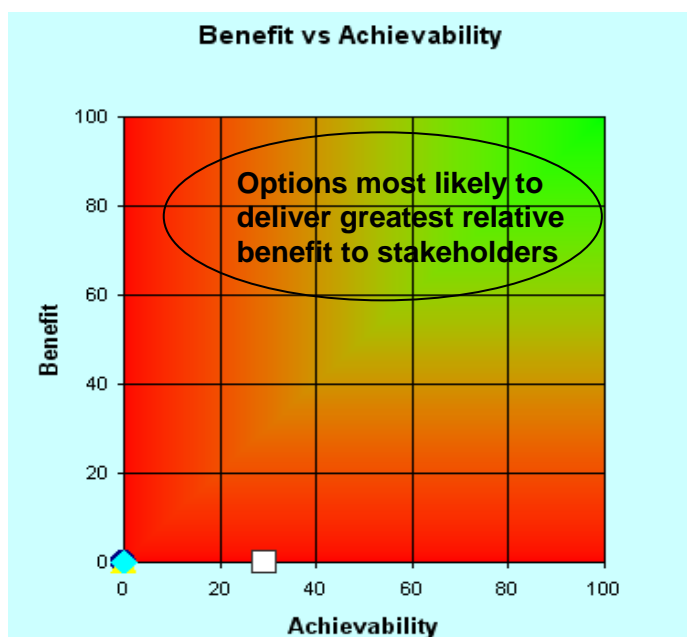

Benefit vs Achievability

The fourth chart plots Benefit against Achievability. Some points to note:

- Options in the 'top right' green zone are the most achievable propositions for delivering the highest relative benefits for all stakeholders.

- Conversely projects in the 'bottom left' red zone offer the lowest relative benefits.

opportunities	strengths/weaknesses	
5	0	Numbers of local targets supported
0	4	Improved self-esteem and confidence
3	6	Improved skills (including ICT and others) and progression (further education, training and employment)
4	0	Improved participation and engagement with services
3	0	Increased participation in community (e.g. volunteering, attendence at community events)
10	-5	Appetite for Change
5	0	Committed leadership
4	8	Strategic & policy fit
0	-6	People to deliver project
0	-8	Money Available
0	-6	Feasible process change
0	-9	Enough Time
0	-2	Fit with current ICT
0	0	Products & services available
0	4	Receptive stakeholders

The final table provides a simple SWOT analysis of the project against the *Effectiveness* indicators and also the *Achievability* criteria. Points to note:

- Weaknesses are highlighted in Red - areas where the project scores poorly relative to other options, on important criteria. These are areas that should be considered for a change of scope or approach to strengthen the project.

- Strengths are highlighted in Green — areas where the project scores particularly highly relative to other options, on important criteria. These are key selling points to convince stakeholder of the value of the project.

- Opportunities are highlighted in Yellow — these are areas where none of the options score particularly well on important criteria, or areas of high importance where there might be high payoff in strengthening your project.

Phase 1 Step 7: Options Analysis Narrative

The narrative is the most important output of the stage. All the graphs, scores and charts should enable a simple narrative to be developed which answer the questions:

o Is the project more effective at delivering against the indicators of success than the other options? In what way?

o Is the project more deliverable than the other options? In what way?

o How do the benefits and burdens compare?

o Overall how compelling is the proposition?

o What are the weaknesses of the project compared to the alternatives?

o What are the opportunities for strengthening the proposition/ what strong features of the alternative options could be added to the project to make it even more compelling?

o Who are the winners and losers among the stakeholders? Who may be a barrier to delivery and how can the project be made more compelling to them? Who may be a champion for the project? (See Phase 2 Step 4, the output of which is included in the Phase 1 report as well)

o At this stage there is also a small box to fill in to provide an early indication of relative value for money of each of the options — to give a high level view of cost differences between the options to set against their compellingness. This doesn't require a detailed financial analysis of the options — just a high level relative view of which options might be more expensive than others, so don't agonise over it. The point is to check that no alternative option is just as compelling as the proposal but much cheaper; if there is one then common sense suggests making that the proposal instead and starting all over again!

The narrative should provide a clear and robust summary of all the thinking that has gone into the options analysis during the stakeholder meeting. You have said up front that the output of the meeting is the final conclusion as unilateral changes afterwards will unravel the collective consensus. So at this point you need to be confident in the product. You will circulate the business case after the meeting, and stakeholders can comment on it. However, unless something intervenes to make it wholly unfit for its purpose, only tidying up changes will be made. Hence you need to make sure now that all are satisfied that the business case is a sufficient and accurate reflection of the project and its options. While the content is theirs, **the responsibility for the product quality is yours**.

At this time there is a milestone decision on how and when to proceed to the next step in either the business case development Phases 2 and 3, or whether or not to proceed with the project, on the basis of the work done so far.


Phase 2: Risk, Dependencies and Project Planning (the management sub-case).

Phase 2 Step 0: Financial, Economic and Management Cases

This introduces Phases 2 and 3 of the business case, the completion of the remaining parts needed for this level of case. Phase 2 covers what Treasury calls the Management Case, and Phase 3 the more detailed cost and benefit (economic) analysis and the assembly of a financial affordability analysis.

Once again, it helps to track progress in completing the different steps of the business case — on completion, all of the steps will turn green and the business case will be ready to be output to a pdf file for sharing. Please note again however that the nature of the automated formatting of the outputted pdf report may produce some misalignment of tables and content across pages and you may consider it to be necessary to use a pdf editor to correct the formatting.

All the buttons contain links to help navigate between the sections.
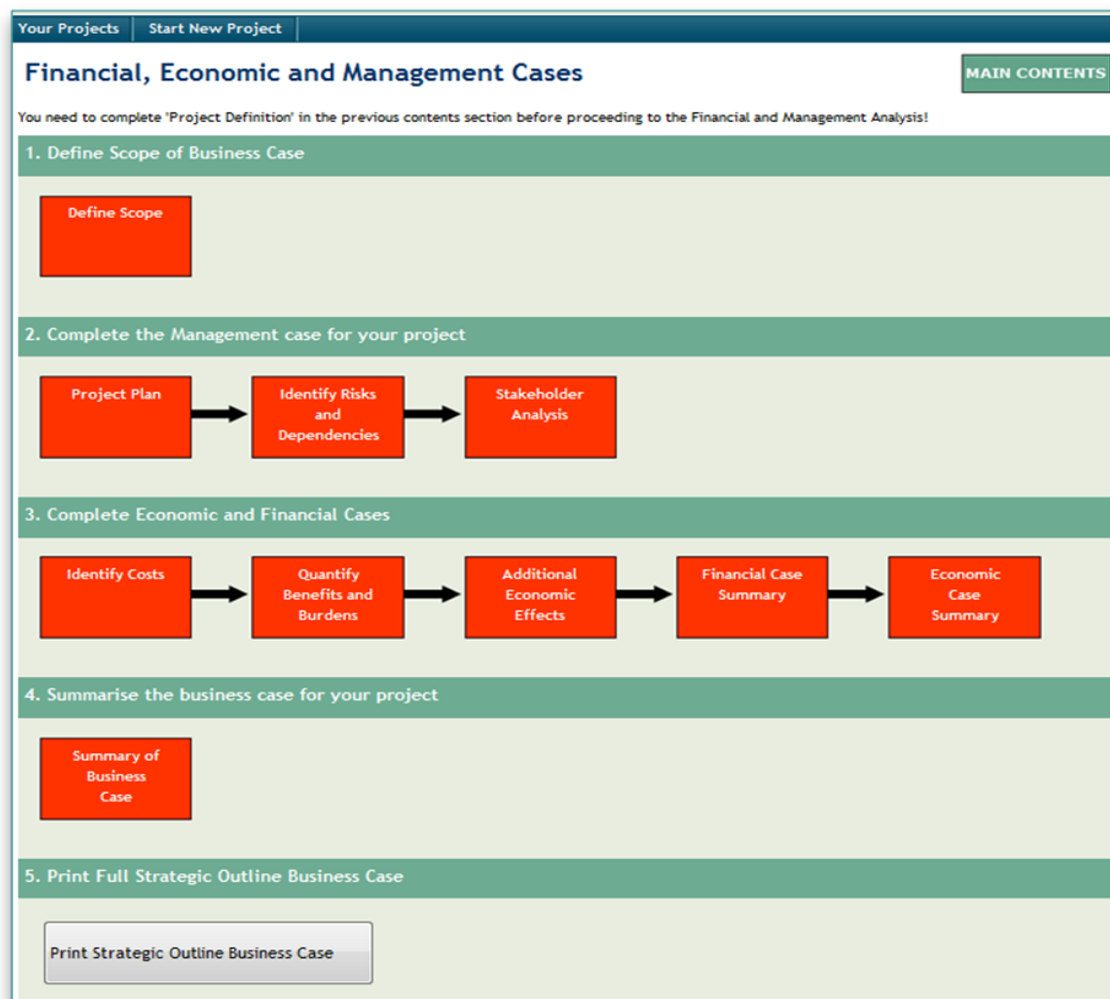
Phase 2 Step 1: Define Scope of Business Case

This step simply collects the information about the intended analysis and uses it to format the input and output tables in the following steps.

Three or five years would be typical periods for evaluating a project, but for some outcomes, a shorter term may be appropriate. Longer terms are more appropriate for projects involving infrastructure or significant capital investment. Ten years is the maximum time span possible in this tool.

The financial year and project quarter boxes feed through into the project plan providing labels for each year and the starting quarter for the plan. The annual discount rate is pre-completed with the recommended HM Treasury rate. For some projects and for longer time horizons this might change. If the investing organisation is not a public sector body it might also have its own discount rate.

There is also an opportunity to add some financial figures that will help to put the project costs into context. One box, in the Scope of Economic Case section, looks at the quantification, in monetary terms, of the scale of the problem that is being addressed in relation to the geographic area and to organisations supporting that area e.g. the cost of reoffending, the cost of not having a job, the costs of dementia etc. The third box, in the Scope of Financial Case section, looks at the specific operational expense dedicating to tackling the problem. This is important as it highlights the cost of the new project against the current budget for tackling the problem and helps to facilitate a discussion around whether existing money might be better spent in a new way.

Finally, there are some boxes to add in the names of funding organisations/ investors. At this point the case now focuses at an organisational level in order to develop the financial case from different organisational perspectives. The first box should contain the name of the primary organisation that owns the business case and is making the primary investment decision. A specific financial case will be developed for this organisation that just considers the affordability of the project to it.

Investors

7. What is the name of the organisation that is the lead investor in the project, and the primary recipient/owner of this business case?

8. What are the names of any other organisations which will contribute resource (e.g. funding, time, effort, tools, equipment) to this project, or benefit from the project?

> Save Page

The remaining boxes are provided to add in the names of other organisations, which benefit or are burdened by the project. Later on the tool will map costs and benefits to all partner and stakeholder organisations. In completing this list of organisations it is worth referring back to the original list of stakeholders developed in Phase 1 Step 2: 'Stakeholder Identification' and entering here the respective organisation names relevant to these stakeholders. You might find that a number of stakeholders belong to one organisation, and that any benefits and burdens associated with these stakeholders will accrue to that one organisation. So the point here is to shift the perspective from multiple stakeholders to a higher-level list of their respective, 'financially accountable' organisations.

Phase 2 Step 2: High Level Project Plan

The purpose of this step is to clarify thinking on the range and sequence of activities to be carried out in implementing the proposal, and add to the understanding on the achievability of the project, the role of the actors in it, and the timescales involved.

It is better done in a group setting, ideally involving some participants in the project delivery process, and/or people with experience of similar projects.
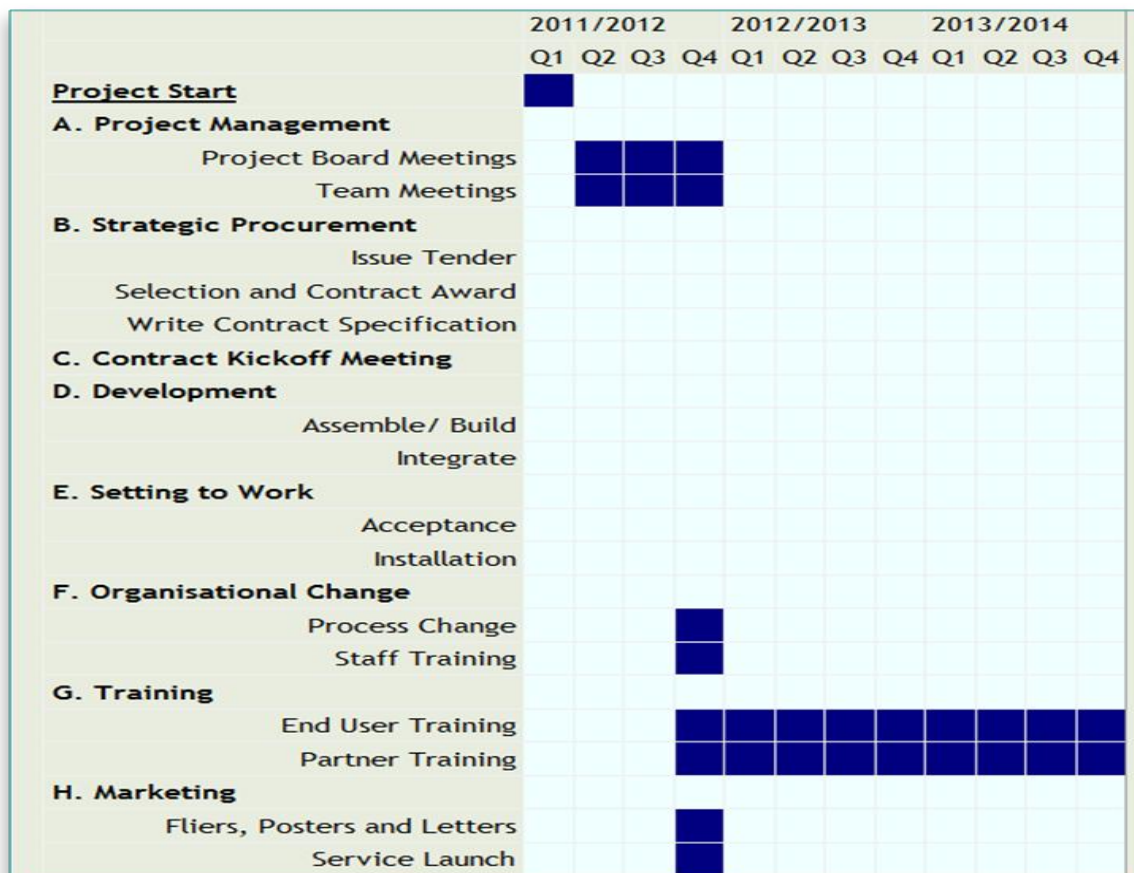
Its completion just involves:

- Inserting and refining activity descriptions,
- Selecting cells to define the period of activity; each cell represents ¼ of a year.

Obviously, this is only meant to be rough, so the facilitation of this step should focus on making sure everything that has to be done is identified and put in the right order, and plotted against a sensible timeframe. There is not much extra value in debating finer points of duration or internal dependencies at this stage, though you should definitely be challenging optimism about how long things might take and how soon dependent activities can be started.

This step may well shed light on the previous work on stakeholders and achievability, and will undoubtedly inform project costing.

Note that to put activities, and sub-activities in different orders you can add numbers to the activities names e.g. *1. Buy ingredients, 2. Mix ingredients 3. Bake Cake.*

	2011/2012				2012/2013				2013/2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Project Start	■											
A. Project Management												
Project Board Meetings		■	■	■								
Team Meetings		■	■	■								
B. Strategic Procurement												
Issue Tender												
Selection and Contract Award												
Write Contract Specification												
C. Contract Kickoff Meeting												
D. Development												
Assemble/ Build												
Integrate												
E. Setting to Work												
Acceptance												
Installation												
F. Organisational Change												
Process Change					■							
Staff Training					■							
G. Training												
End User Training					■	■	■	■	■	■	■	■
Partner Training					■	■	■	■	■	■	■	■
H. Marketing												
Fliers, Posters and Letters					■							
Service Launch					■							

Phase 2 Step 3: Project Risk and Dependency Analysis

This step will benefit from a group discussion between the key stakeholders.

The focus needs to be on the high-level business and operational risks to the project and resulting service, as opposed to ones internal to the project. Categories of risks are provided as prompts in a drop-down list, as is a list of the previously identified stakeholders for the risk owner entry.

Severity and probability are entered both on a scale from 1 to 5, with 5 being high. These are in drop-down lists.

The risk probablity and risk severity are multiplied together and the words in the Risk Title column are coded to indicate the main ones to worry about. The colour coding works in the following way:

- Totals of Risk Probability x Risk Severity below 4 are colour coded - **Green**

- Totals of Risk Probability x Risk Severity above 4 and below 9 are colour coded - **Amber**

- Total of Risk Probability x Risk Severity of 9 and above are colour coded - **Red**.

This page identifies and scores project risks. It also identifies dependencies to be identified - or critical external influences on the project.

No.	Risk Category	Risk Title	Risk Owner	Risk Probability	Risk Severity
1	Legal	Ownership of IPR of the eClinic Service	Mental Health Foundation Trust	1	4
2	Financial	Costs are not offset against delivered benefits	Mental Health Foundation Trust	1	5
3	Technological	Technical solution doesnt meet requirements	Mental Health Foundation Trust	2	5
4	Operating	Staff buyin not established	Mental Health Foundation Trust	2	3
5	Availability and Performance	ICT/broadband/ comms fails	Mental Health Foundation Trust	1	5
6	Transition and Implementation	Not enough therapists/ICT champions to deliver the	Mental Health Foundation Trust	2	4
7	Operating	End user demand unknown	Mental Health Foundation Trust	3	5
8	Other	Risk of excluding people who lack the ICT skills	Mental Health Foundation Trust	2	4
9	Other	Integrity of identification process to ensure true	Mental Health Foundation Trust	1	4
10	Political	Adverse public response to service change	Mental Health Foundation Trust	2	3
11	Technological	Obsolescence/future proofing	Mental Health Foundation Trust	2	4

In the same section you identify and record the critical dependencies for the project - the important external influences. These may well be related to the risks. So in these boxes you would add any related projects or programmes, legislation etc, on which the success of the project might depend.

Dependencies

Dependencies are external influences on the project - things that have to be in place in order to make the project a success - for example the delivery of another related project or programme, the passing of a piece of legislation etc.

No.	The project is subject to the following dependencies which will be carefully monitored and managed through out its lifespan:
1	Area assessment requirement to support employees with mental health problems
2	eClinic dependent on current PCT service delivery model

Phase 2 Step 4: Stakeholder Analysis

You do not need to enter any data at this step.

The Stakeholder Analysis table provides a simple summary of whether benefits or burdens have been identified for each stakeholder. It uses this information to highlight the potential attitudes towards the project among the stakeholders identified.

Those for whom no benefits or burdens have been identified are categorised as potentially 'disinterested' in the project. Those for whom benefits have been indentified but no burdens are potential champions and 'enthusiasts' for the project — although it is worth re-checking they aren't burdened in some way by the project. They are highlighted in green. Those stakeholders for whom only burdens have been identified are potential 'resistors' to the project and are highlighted in red. Finally, those stakeholders for whom both benefits and burdens have been identified are potentially 'confused' as to whether the benefit they get from the project outweighs the burden and effort they put into it, and they are also highlighted in red.

This table provides a simple, early analysis for debate, and potentially highlights any potential stakeholder problems at a very early stage.

Project Stakeholders	Benefit	Burden	Potential Attitude Toward Project
Residents	■		Enthusiast? Stakeholder benefits but is not burdened by project?
City Estates	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Community Development Team	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Youth Worker	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Housing Officer	■	■	Confused? Stakeholder benefits but at a cost - Does the benefit outweigh the burden?
Teacher/Trainers	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Police	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Librarian	■		Enthusiast? Stakeholder benefits but is not burdened by project?
GP	■		Enthusiast? Stakeholder benefits but is not burdened by project?
City of London	■	■	Confused? Stakeholder benefits but at a cost - Does the benefit outweigh the burden?
Charities			Disinterested? Stakeholder neither benefits nor is burdened by project?
Friends/Carers			Disinterested? Stakeholder neither benefits nor is burdened by project?
The City Together	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Elected Members	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Local Economy			Disinterested? Stakeholder neither benefits nor is burdened by project?
Public Service Organisations	■		Enthusiast? Stakeholder benefits but is not burdened by project?
Adult Learning Team	■		Enthusiast? Stakeholder benefits but is not burdened by project?
IT Department		■	Resistor? Stakeholder is burdened by project but doesn't benefit?
ICT Solutions Providers			Disinterested? Stakeholder neither benefits nor is burdened by project?

Phase 3: Cost, Benefits and Affordability (the financial sub-case).

Phase 3 Step 1: Project Costs

The aim of this stage is to drive out the full costs of doing the project, both one-off and continuing into the future.

To complete the screen in full you need to make entries in the 'descriptive' and 'financial' view of the screen. It is therefore suggested that you toggle between the two views which is achieved by ticking the 'Descriptions' box and competing all the columns for an individual row before ticking the 'Financial' box to complete the remaining columns for the row.

As with the earlier steps on identifying stakeholders and benefits, there is a taxonomy of prompts to help achieve a comprehensive coverage of costs.

In this case it comprises cost categories, each of which is subdivided into cost types. These are provided in drop-down lists, as are the previously entered organisations, to help complete the relevant columns. The key aim here is to ensure that a good cross-section of typical costs are considered at this stage to avoid under-estimating the cost of the project.

You are asked to tag each cost as either "set-up" or "ongoing". The distinction is whether it is a one-off cost prior to project completion, or one that recurs once or more frequently in the future in the manner of a legacy from the project team (presumed to disband on completion).

Ongoing costs could sometimes be regarded either as a continuing cost attributable to the project (e.g. a software licence fee) or as a burden on one of the stakeholders (logged in the next step). It doesn't matter too much which is chosen, as long as it is counted as one of them and only once. Which it is can be a matter of what seems most natural, what fits local convention, or that which better fits with the applicable budget or accounting practice.

The last categorisation is between "cash" and "non-cash". These terms are shorthand for "cash-consuming" and "non-cash-consuming". The first means that there is a specific payment made (e.g. you buy a widget), the second that a resource is consumed that has a monetary cost (e.g. existing staff) but no money changes hands in respect to its consumption by the project.

Finally for each cost, there is a column set up to receive an actual figure for the cost in each financial year over which you decided to evaluate the project. There is no prescription for the degree of accuracy or precision to be applied here: that has to be a local pragmatic decision based on what is judged to be necessary and sufficient and practical in the particular circumstances. It is certainly worth commenting on accuracy and precision in the column provided for assumptions, sources and information though, as we all know only too well how completely wild guesses become established as fact via the route of repetition and folklore. The costs need to be entered in £1000s. Multiple decimal places can be entered however the entries are rounded to one decimal place i.e. to bring the total to the nearest £100.

Descriptive view

Financial view

Phase 3 Step 2: Quantify Benefits and Burdens

This is the stage at which you put the actual numbers in against the benefits and burdens identified in Phase 1. See the comments on cash/non-cash, accuracy, and on-going costs in the section on Project Costs.

There is an 'Example Economic Costs and Benefits' link from this page to a list of some example unit economic social costs and benefits to help complete the table. However these are mainly provided for inspiration — a complete set of relevant economic data simply isn't possible and requires a bit of desk research on a case by case basis to search for the latest relevant economic data either through the HMT Greenbook site or other government statistics sites.

To complete the screen in full you need to make entries in the 'descriptive' and 'financial' view of the screen. It is therefore suggested that you toggle between the two views which is achieved by ticking the 'Descriptions' box and competing all the columns for an individual row before ticking the 'Financials' box to complete the remaining columns for the row.

The table will be pre-populated with stakeholders, benefits and burdens from Phase 1 Step 3: Benefits and Burdens Analysis. Then you are asked to classify each benefit according to the Treasury categories:

- Financial: Cash Releasing/ Consuming; direct cash benefits/costs e.g. operating cost reduction, revenue increase etc.

- Financial: Non Cash Releasing/ Consuming; indirect cash benefits/costs e.g. staff time savings which can be quantified financially but don't release or spend cash.

- Non-Financial: Quantifiable; non-financial performance indicators e.g. reduction in number of customer complaints, reduction in road accidents.

- Non-Financial: Non-Quantifiable; softer, more qualitative benefits e.g. staff morale and staff skills.

The tool will take you through these in the order financial/non-financial (with the option of both if that is applicable for a benefit or burden), quantifiable/non-quantifiable (obviously, if it is financial, it is quantifiable), and then cash/non-cash (if it is financial). The cells that you then have to complete with quantities are then shown, by greying out the others that are irrelevant.

If at this stage you or the project stakeholders realise that there is a significant benefit or burden that is not recorded, then sadly you will all have to go back to Phase 1 Benefit and Burden Identification and add it in there. You can't just add it in at this stage as it might introduce inconsistencies to the original options analysis case. Depending on the impact this has on the Phase 1 analysis overall, i.e. on the relative merits and compellingness of the options, you will have to decide how much to review the decision, made at the end of Phase 1, to proceed with the further analysis of this particular project. If it merely adds to completeness rather than changing the conclusion, then you can carry on from here. **This serves to emphasise how important it is to do Phase 1 thoroughly**.

Phase 3 Step 3: Quantify Additional Economic and Social Effects

At this stage you can develop some benefits that are broader and potentially more longer term than those previously accounted for. These are benefits that are likely to be more difficult to show exact cause and effect, because it is not possible to disentangle the influence of other initiatives that also contribute to the same goal and also because of the longer period of time over which the benefit is delivered. However, they are also benefits with a clear delivery logic chain and which can be expressed as a plausible fraction or percentage of the client group.

There is an 'Example Economic Costs and Benefits' link from this page to a list of some example financial data of the sort you will need to find to complete this section. However these are mainly provided for inspiration — a complete set of relevant economic data simply isn't possible and requires a bit of desk research on a case by case basis to search for the latest relevant economic data either through the HMT Greenbook site or other government statistics sites.

The fundamental logic chain used to quantify these benefits is shown below:

- If one of my client group: e.g. gains employment

- The financial benefit will be: e.g. £12,400

- But the size of my client group is: e.g. 1000

- My project could plausibly support x% in this way: e.g. 1%

- Delivering a total economic benefit of: e.g. £124k

The table at this stage is built around this logic chain

	If one of my client group...	The financial benefit will be (in £000s)...	But the size of my client group is...	My project could plausibly support x% in this way...	Delivering a total economic benefit of...	The source for the baseline economic data is:	
E.g.	...gains employment	£12.4k	1000	1%	£124.0k	The Economic Case for Digital Inclusion PWC(2009)	
1	Gains employment	£8.0k	5000	0.06%	£24.00k	The project has helped and supported around 1 person per year	Save / Delete
Add New		£0k	5000	0%			Save
				Total Benefit:	£24.00k		

Summaries of Cases

The next screen in the tool then provides a summary of the **Financial Case for the Investing Organisation**

You do not have to enter any data on this page.

This is what one more frequently sees presented inside organisations as it presents the cost-benefit analysis just for the main funding organisation identified in Phase 2 Step 1: Define Scope of Analysis. It is the Financial Case addressing the internal affordability of the project to that organisation and hence it is the case that the finance department of the main funding organisation will be very interested in (whereas the economic case is addressing the more strategic and outward-looking arguments).

Financial Case: 3 Years			
Total Set Up Cost (cash)	£13.0k	Total Financial Benefit	£120.5k
Total Running Cost (cash)	£129.0k		
Total Project Cost (incl burdens)	£142.0k		
The estimated current budget per year for current operations to deal with the underlying issue:		£0.0k	

Net Cash Requirement per Year			
	2011/ 2012	2012/ 2013	2013/ 2014
Costs (Cash)	£49.0k	£47.0k	£46.0k
Benefits (Cash)	£40.5k	£40.0k	£40.0k
Net Cash Requirement	£8.5k	£7.0k	£6.0k

The following screen in the tool then provides a summary of the **Economic Case Total Costs and Benefits.**

You do not have to enter any data on this page.

Here, the project costs, and benefits and burdens are brought together into a high-level economic analysis that looks at overall costs and benefits across all organisations and stakeholders. This case also presents the additional social and economic effects developed in the previous step. It can support partnership or area based approaches to budgeting and partnership working.

Economic Business Case: 3 years (cash element in brackets)					
Total Set Up Cost	£13.0k	(£13.0k)	Total Financial Benefit	£174.5k	(£129.5k)
Total Running Cost	£162.0k	(£129.0k)			
Total Project Cost (incl burdens)	£178.0k	(£142.0k)			
Net Present Cost	£172.1k		Net Present Benefit	£168.7k	
Net Present value (NPV)	£-3.5k				

Additional Social and Economic Effects		
The approximate social cost of the problem that this project addresses per year is:	£0.0k	
The potential wider economic benefit of this project is:	£24.0k	

Phase 3 Step 4: Summary Strategic Outline Business Case

This step creates an executive summary of the case, building on all the previous steps. At this point the business case has answered all the key questions to be able to develop the 5-case model. Key questions to address are given as prompts with side links to the sections where the these questions have already been answered, and the supporting data is presented.

The focus at this level of case (Strategic Outline — SOC) is on the strategic fit and economic dimensions of the Treasury Five Case Model. So here you need to enhance the earlier Options Analysis Narrative to give a complete summary of the Strategic (case for change) and Economic (value for money) components of the case.

Also, brief outline reference to other elements of the Five Case Model is required at this point in the SOC — in other words include an outline of the following:

• Commercial case – commercial viability

- o assessment of the likely attractiveness of the project to potential service providers, taking into account any potential for private capital funding and/or risk transfer as required.

• Financial case - affordability

- o a statement of the organisation's financial situation
- o resources available for the project, including assessment of the resource holder's ability to provide support
- o capital and revenue constraints
- o statements of strategic (or in principle) support from the stakeholders.

• Management case – achievability

- o who is involved in the project, both inside and outside of the organisation, including users, commissioners and other key stakeholders
- o achievability of the project, taking into account the organisation's readiness and resources
- o how the project is to be managed
- o other key managerial considerations, including: change management, training, evaluation and timetable
- o nature of further work needed to develop management proposals.

Finally

Now everything has been entered you can go back to the Financial, Economic and Management Cases contents page to check everything has been completed and then output the pdf report as before. Please note again however that the nature of the automated formatting of the outputted pdf report may produce some misalignment of tables and content across pages and you may consider it to be necessary to use a pdf editor to correct the formatting.

Other resources

Further Guidance

Further Guidance including case studies and reference material are available from the sub-pages of the [Social and Economic Business Case Tool Introduction page](#) within esd-toolkit. (See also [navigating to the tool](#) within the 'Introduction Section' to this document for navigation options)

Need more practical support?

Your first port of call should be to Peter Wrigley the esd-toolkit Business Improvement Lead Facilitator:

email: **peter.wrigley@esd.org.uk** or phone him on: 07920 596969.