

[CLIENT LOGO]

Business Case for [Business, Programme or Project]

[Gross Costs to compared with Gross
Benefits to establish Return on
Investment and NPV of proposed expenditure]

Title	Business Case for xxxxxxxxxxxx Programme
Author	
Doc. Ref.	

Approval	Role

Review	Role

Change History	Date	Author/Editor	Detail of change
Draft A			
Draft B			
Version C			
Version D			

Purpose of Document

To provide an overview for Executive Leadership Teams that summarises the Business Case derived from the Assured Outcome Delivery benefits realisation work undertaken as part of the (title / business unit) programme within (organisation) Limited. It combines inputs from the Value Case already issued and the latest financial forecast, projected for (period / year).

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1. Executive Summary

1.1 Background

Our Change Programme, called xxxxxxxx has the objective of supporting the delivery of our mission – yyyyyyyy – for our *customers and clients and ????*. This Business Case, supported by the Value case developed for the Programme, describes the investment we plan to make to enable delivery of the outcomes our Executive have identified in seeking to:

- Strategic intent for org bus plan 1
- Strategic intent for org bus plan 2; and
- Strategic intent for org bus plan 3.

This Business case focuses on delivery of the desired Programme Outcomes (described as Show-Me Events (SMEs) derived from following the Assured Outcome Delivery (AOD) Approach). The scope of the business case outlined in this document is different from that described in the original transformation programme investment case, developed following our original project management approach. As a result of following AOD with the Board, both the benefits forecast and the delivery costs have been revised. The net benefits increase is more than £ zz million better than the original Business Plan.

This iteration of the Business Case is based on the Programme Scope and Plan described in this document and the (*Org Name*) Value Case. The Change Programme portfolio has been revised as far as possible to accommodate the additional scope needed to achieve the SMEs, without extending the cash funding requirements for *year / year* documented in the Business Plan. To maintain programme funding, and accommodate additional costs for xxxxx and xxxxx projects, some of the original (*name the ones who's priorities were reset in the portfolio review after Plan stage*) projects will have to be delayed; *this funding related decision will cause a knock on delay to some SMEs*. A thorough Impact Assessment will be undertaken prior to offering the Executive choice on revisions to SMEs and scope in later years. The present iteration presented in this document meets the direction of the Board changes instructed in *date*.

An updated version of this business case will be developed following Strategic Prioritisation discussion by the Executive, and consideration of Request for Changes at the next Programme Board meeting.

1.2 Value Created

The Value Case developed using Assured Outcome Delivery techniques identified that our Vision Led, Benefits Driven Change Programme will produce a gross value of benefits in (*organisation*) of £xxx million over the period of the Programme FY 2016 to FY 2020.

The headline figure is made up of:

	<u>Y1-5</u>
Increases in income	£ xx.x m
Headcount and salary savings	£ xx.x m
Other costs saving headings	£ xx.x m
Property-related costs	£ xx.x m
Other cost savings	<u>£ xx.x m</u>
Benefits Total	£ xxx.x m



1.3 Benefit Exclusions

The Total Programme Benefit Value is the sum of xx Cashpoints - cash flows that commence as a result of achieving the changes described in the (Organisation) Show-Me Event Table documented within Appendix A.

The benefits total above excludes: (where other programmes are underway in parallel - with whom benefits may have to be shared - or deemed out of scope)

- Exclusion 1 £ y.y m
- Exclusion 2 £ y.y m
- Exclusion 3 £ y.y m

A decision was also taken initially to exclude Income from the sale of other assets, (Factored estimate of £ y.y m).

1.4 Revenue Expenditure Summary

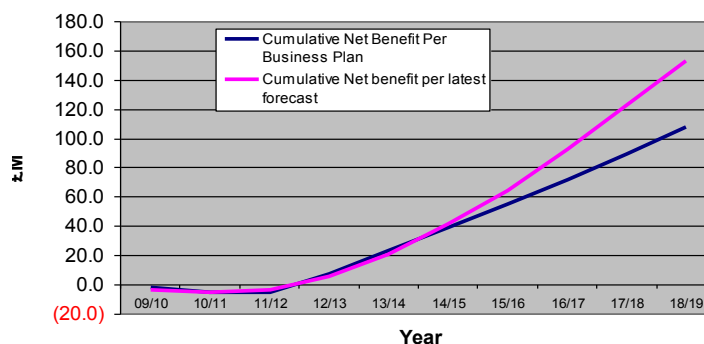
The Investment required by (organisation) to fund the delivery of the change events specified by the Executive totals £ zz.z million as described below:

	<u>Y1-5</u>
Existing Projects (if they pre-existed / now combined)	£ z.z m
New Initiatives (for SME scope)	£ z.z m
Ongoing Costs for implementation support	£ z.z m
Programme costs	£ z.z m
Contingency	<u>£ z.z m</u>
Costs Total	£ zz.z m

1.5 Summary Investment Appraisal

The proposed change programme / portfolio has a: **Net Present Value of £ xx.x million** to (Programme or Bus case end date) with an early cash flow in line with the business plan projects, as shown (delete example) below.

Net Benefit Comparison Business Plan to latest forecast



The reasons for the current forecast requiring additional funding (*if needed*) in *year and year* are as follows:

Slower commencement of benefits stream due to *e.g. slow programme start up*;

Change of *year* costs and acceleration of some *year and year* projects to meet SME re-sequenced date priorities agreed by the Board;

Inclusion of additional scope items:

- List 1
- List 2
- List

2. Programme Benefits

The Cashpoints that sum to the Value Case are as follows (tailor table example for CP table):

CP Ref	Cashpoint	Factored Estimate (£m)
	Increases in income	
	Increase in xxxxxxxx Income	
	Increase in Income as a result of xxxxxxxxxx:	
	Increase in other Service Charges	
	Increase in income from asset sales	
	Increase in Shared Services Income	
	Sub-total:	
	Headcount and salary savings	
	Reduction in headcount costs, as per High Level Design (<i>Doc ref</i>)	
	Reduction in temporary staff / contractor costs	
	Reduction in overtime and allowances payments	
	Reduction in spend on agency staff	
	Harmonisation in Ts and Cs / etc	
	New pension arrangements / Other HR	
	Sub-total:	
	Reduction on contractor costs	
	Reduction in xxxxxxxx costs	
	Reduction in repairs and maintenance costs	
	Sub-total:	
	Property-related costs	
	Reduction in corporate property overheads (incl repairs and maintenance)	

CP Ref	Cashpoint	Factored Estimate (£m)
	Sub-total:	
	Other cost savings	
	Reduction in IS costs	
	Reduction in recruitment costs	
	Reduction in training costs	
	Reduction in bidding costs	
	Reduction in costs associated with selling houses	
	Reduction in travel costs	
	Reduction in insurance and liability payments	
	Reduction in bank charges	
	Reduction in contract costs through more effective management of existing contracts	
	Reduction in cost of sickness absence	
	Reduction in xxx Services headcount costs	
	Reduction in use of external suppliers of xxxxxx services	
	One year saving in IT staff costs (from shortening delivery programme)	
	New innovation or commercialisation ideas	
	Increase in	
	Reprioritisation of.....	
	Sub-total:	
	INSERT OTHER SECTION AS APPROPRIATE FOR CP TABLE	
	Increased Income from other Sources	
	New income from Government grant funding	
	Tax offset for R&D expenditure	
	Benefits Total to (end of programme date)	£ xx.x m



3. Programme Revenue Expenditure

The investment expenditure schedule to deliver the programme is:

	<u>Y1-5</u>
Existing Projects (if they pre-existed / now combined)	£ z.z m
New Initiatives (for SME scope)	£ z.z m
On-going Costs for implementation support z.z m	£
Programme costs	£ z.z m
Contingency	<u>£ z.z m</u>
Costs Total	£ zz.z m

The summary cost figures update is presented for each of the work streams within the 'Programme' costs amounts including:

- PMO costs
- Severance and organisational change budgets for (*Resizing projects*)
- Capital and revenue costs in the year in which they are incurred
- (Capitalisation effects to P&L are monitored and reported separately by Finance)

INSERT MONTHLY (FOR YEAR 1 & 2) AND ANNULAISED THEREAFTER COST TABLE SUMMARY

A fully detailed cost (revenue expenditure) schedule is included in A3 pull out in Appendix C.

4. Programme Scope and Timescales

We have developed the programme, project and initiatives scope below to summarise all the change elements being delivered in (*Change Programme title*):

INSERT PLAN / SCOPE GRAPHIC

AND INSERT MAIN CHANGE ELEMENTS & DATES IN SHOW ME EVENT TABLE EXTRACT

This programme combines the projects described in the Programme Mandates (*number references inserted*), supplemented by a number of projects or initiatives (*number references inserted*) being run within the Organisation as part of the normal “business as usual” workload. Where any ‘BAU workload’ projects are dependent on the initiatives listed, they will use the same rigorous AOD approach to progress and risk management applied across the remainder of the (*Change Programme title*) programme.

Following completion of the Right to Left Planning by business units, alongside the development of their Operational Plans for (*years*), the programme office team undertook reviews of the planning impact of moves to projects and initiatives to provide a best fit of organisational change capacity, resource availability and budget funding to deliver the SMEs specified. A number of SME dates have changed as a result of the affordability direction from the Board.

The summary Programme Plan shown below illustrates iteration 1 of the rescheduling to address any overlap of process redesign projects for xxxxxxx (a more detailed plan is included in Appendix D) and xxxxxxxxxx. The Programme plan below illustrates over x000 activity lines, with all xx SMEs, and incorporates the Executive Leadership Team views of the right to left plans to achieve key milestones linked to the plans developed for the existing projects and initiatives underway.

INSERT ROLLED UP PROGRAMME PLAN PIC TO REPLACE EXAMPLE BELOW

ID	Task Name	Start	Finish	2010		2011				2012				2013				2014				2015				2016				2017				2018	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		
1	Programme Level Activity	Tue 01/09/09	Tue 26/07/11	Programme Level Activity																															
261	Workstream Projects & Business Initiatives	Thu 13/05/10	Fri 18/07/14	Workstream Projects & Business Initiatives																															
262	Programme	Mon 29/04/13	Fri 18/07/14	Programme																															
300	Care & Support	Mon 14/03/11	Mon 31/03/14	Care & Support																															
367	Enterprise & Development	Mon 15/11/10	Mon 31/03/14	Enterprise & Development																															
593	Customer Services	Fri 30/07/10	Fri 04/04/14	Customer Services																															
594	P001_Customer Service Centre 1	Fri 30/07/10	Fri 10/06/11	P001_Customer Service Centre 1																															
629	P009_CRM Model Office	Fri 30/07/10	Thu 22/09/11	P009_CRM Model Office																															
672	P014_Technology Profile for Mobile Workers	Mon 01/11/10	Mon 03/10/11	P014_Technology Profile for Mobile Workers																															
713	P016_Arrears and Re-charge Collecti	Tue 31/08/10	Mon 03/10/11	P016_Arrears and Re-charge Collection																															
750	P017b_Responsive Repairs and Servi	Mon 03/01/11	Wed 01/02/12	P017b_Responsive Repairs and Servicing and Safety Checks																															
787	P018_Tenancy Management	Mon 02/04/12	Fri 25/01/13	P018_Tenancy Management																															
805	P022_C3 -Insight, Contact, Engagemen	Mon 03/06/13	Fri 04/04/14	P022_C3 - Insight, Contact, Engagement																															
831	P023a Sign Up	Mon 02/05/11	Fri 30/12/11	P023a Sign Up																															
851	P023b Application	Mon 02/04/12	Fri 01/02/13	P023b Application																															
871	P025_Set and Manage Service Charg	Mon 03/01/11	Fri 30/09/11	P025_Set and Manage Service Charges																															
946	P027_Neighbourhood Services	Mon 01/04/13	Thu 30/01/14	P027_Neighbourhood Services																															
972	P029_Tenancy Agreement & Licence	Fri 01/06/12	Fri 07/06/13	P029_Tenancy Agreement & Licence Management																															
991	P058_E-Services Enablement	Wed 01/05/13	Tue 14/01/14	P058_E-Services Enablement																															
1011	P060_Customer Services Strategy	Wed 18/08/10	Mon 28/11/11	P060_Customer Services Strategy																															
1034	I08_Customer Profiling - CRM Integrati	Fri 01/06/12	Fri 28/06/13	I08_Customer Profiling - CRM Integration																															
1040	I09_Increasing Grant Funding	Fri 01/06/12	Thu 27/12/12	I09_Increasing Grant Funding																															
1046	I10 Proposition Development (Menu) P	Mon 03/06/13	Fri 27/12/13	I10 Proposition Development (Menu) Project																															
1053	I11_Neighbourhood planning	Mon 01/04/13	Thu 30/01/14	I11_Neighbourhood planning																															
1062	I12 Knowledge Management	Fri 01/04/11	Thu 27/10/11	I12 Knowledge Management																															
1066	Shared Services	Thu 13/05/10	Wed 23/05/12	Shared Services																															
1618	Business Initiatives	Tue 04/01/11	Mon 06/06/11	Business Initiatives																															
1634	Closed, Cancelled, Merged or Completed Proj	Tue 09/02/10	Thu 22/05/14	Closed, Cancelled, Merged or Completed Proj																															



All of these project plans are linked to Show-Me Events. The Plan identifies that considerable resource effort will be expended in (*years*); the Executive Leadership team directed that the programme should be reviewed to smooth resource requirements and maintain cash funding requirements in line with the Business Plan.

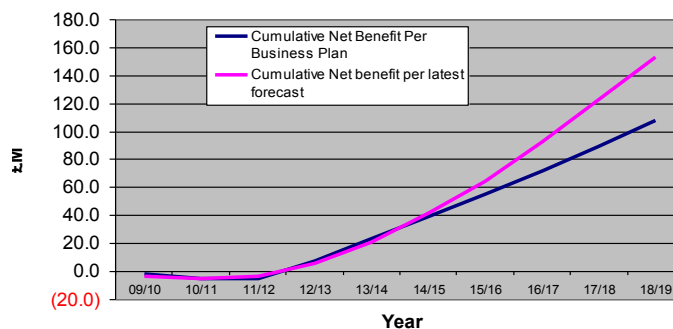
1. The Plan has now been updated following the right to left planning exercise performed by the business
2. Project dependencies have been incorporated and challenged across the work streams
3. Business initiatives identified and added in line with business planning
4. New projects have also incorporated with high-level timescales

5. Investment Appraisal

To deliver the desired business changes (*Organisation*) require to invest with a net profile until (*programme end date*) as follows:

INSERT FIVE YEAR COST PROJECTION TABLE AND GRAPHS AND REPLACE SAMPLE BELOW:

Net Benefit Comparison Business Plan to latest forecast



Benefits figures in £m in	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	5 Year Cum Total	10 Year Cum Total
Net Benefit Per Business Plan	(1.3)	(4.0)	0.4	12.9	15.5	15.7	16.0	17.2	17.8	18.0	23.4	108.0
Cumulative Net Benefit Per Business Plan	(1.3)	(5.3)	(4.9)	7.9	23.4	39.1	55.0	72.2	90.0	108.0	23.4	108.0
Net benefit per latest forecast	(3.0)	(1.8)	1.4	9.0	15.3	20.8	23.1	27.9	30.0	30.6	20.9	153.3
Cumulative Net benefit per latest forecast	(3.0)	(4.7)	(3.3)	5.7	20.9	41.7	64.8	92.7	122.7	153.3	20.9	153.3

This forecast profile is inline with *YEAR-YEAR* Business plan funding; however *year-year* needs to be reviewed in detail to close a relatively small gap with the plan (include if additional funding required). This has been caused by (*initial programme start up delays*) followed by the introduction of additional initiatives requested by ELT.

This investment profile has a **Net Present Value of £ xxx million** to (prog period end).

The principle reasons for the increased “funding” requirements in *years yy/zz (if required)* are:

- Slower commencement of benefits stream from headcount reduction due to slow programme start up
- Slippage of some *yy/zz* activity and acceleration of some *yy/zz* projects to meet SME dates, has worsened *yr ?* cash flow funding requirements
- Bringing forward the other work stream and *xxx* programme (with earlier costs ahead of benefits) has also increased initial funding requirements



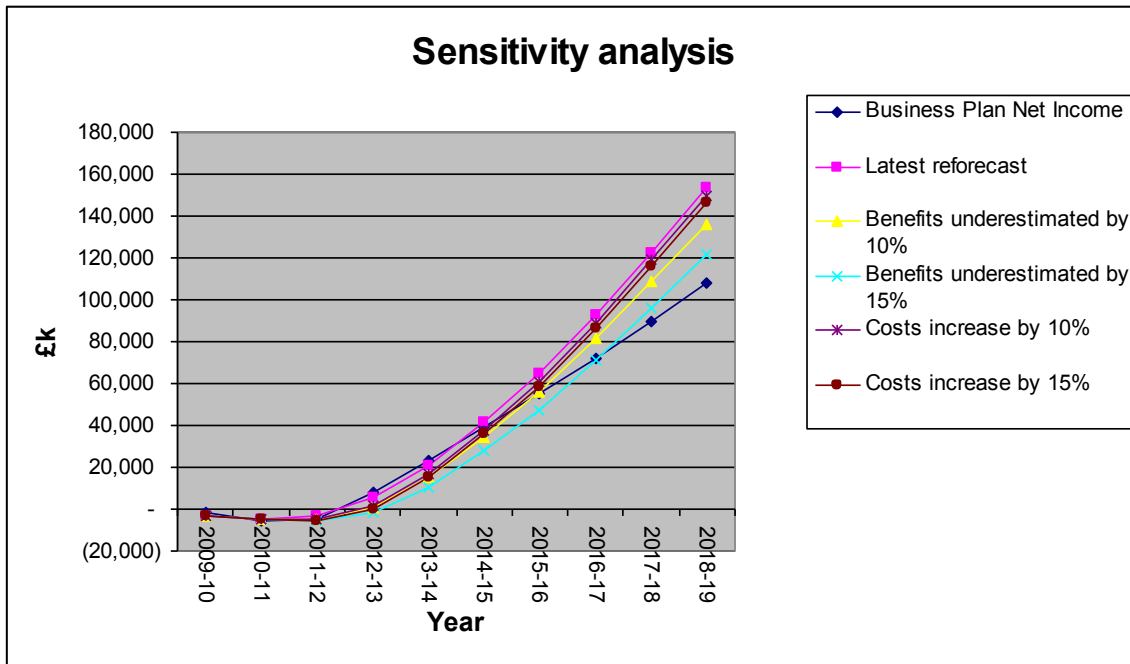
6. Sensitivity Analysis

This section was completed after a plan and resource capacity review with PMO, FD and Programme Board was concluded. We also completed a bandwidth analysis to ensure we have secured appropriate project resources for the full durations required to ensure the desired change outcomes could be delivered. This review also considered Strategic prioritisation options in finalising the scope for delivering the Board’s SMEs.

Initial sensitivity options may include:

Ref	Scenario description	£m impact
1	Benefits underestimated by 10%	
2	Benefits underestimated by 15%	
3	Costs reduced by 10%	
4	Costs reduced by 15%	

RPLACE THE EXAMPLE BELOW WITH SIMILAR PLOT AND COMMENTARY ON THE LIKELYHOOD AROUND EACH SCENARIO



7. Principal Delivery Risks

In order to address the risks to a change programme of the scale and complexity of the (TITLE) Programme, (organisation) has strengthened risk management procedures utilising the Assured Outcome Delivery approach-defined Benefits Control Process. This process, described fully in the Value Case document, reference (insert), relies on expediting rigorous reviews of risks and the mitigation actions defined, comparing the benefits value at risk, identified in our ROI Connect Table (see Appendix x). Re-planning meetings are called within 48 hours to ensure timely resolution and escalation as necessary to maintain progress toward the specified Show-Me Events.

Programme and Work stream Boards address appropriate levels of risks on a regular basis, however our Assured Outcome Delivery approach expects Programme Sponsors to make their time and authority available to their PMs to ensure we can use re-routing and the benefits control process expeditiously. The principal risks to this business case for Executive Leadership Team focus, Business Change Managers and their Senior Leadership teams are as follows (mitigation actions are defined, documented and implemented at Programme Board meetings):

- If **Show-Me Events (REs) are not understood by enough colleagues** – at all levels - then they will not appreciate their priority over other things, resulting in colleagues not working together to deliver the changes we have specified.
- If **we prevaricate on decision-making**, then key timely decisions will not be made, resulting in the under-achievement of benefits.
- if **we do not have the skills and capacity to deliver the outcomes** expressed in the SME's (especially when project overlaps are increased) then the benefits delivered will be less than forecast and later than specified by Exec.
- if **we are given new priorities** responding to the external environment or from new board ideas **and fail to model these into our plan**, then we will become overloaded and lose focus on current priorities for delivery (SME's on which our performance on benefits promises to the board will be judged)
- if **we are unable to give timely direction on the requirement for headcount efficiencies in the process**, then we risk not delivering the levels of headcount efficiencies envisaged within the Value Case
- If **the Executive Leadership team do not establish ownership of the Benefit Calculations in the CashPoint table** within all business units, then AOD may be applied inconsistently and benefit delivery may be suboptimal

Write all principal risks in the *If (risk), then (impact)* format.

The majority of these risks identified by our Executive Leadership team can be resolved by improved focus on creative communications and rigorous and effective programme and project governance. In short they can be mitigated by implementing the Assured Outcome Delivery recommendations in **Preparing Better** and **Leading Brilliantly**.



APPENDIX A

Transformation Programme

Show-Me Event Table



Assured
Outcome
Delivery

APPENDIX B

Transformation Programme

CashPoints Table

APPENDIX C

CashPoints:-

**Identified in Transformation Programme but not
attributable to it**

OR

de minimis

APPENDIX D

ROI CONNECT TABLE (Show-Me Events to CashPoints)