Checklist for Assessment of Business Cases.

What stage has the case reached, is it at the :-
- Strategic Outline;
- Business Outline or Full Business Case stage ?

Does the case include all the elements of the 5 case model, i.e.:-
- Strategic;
- Economic;
- Commercial;
- Financial;
- Management ?

Is the information in each element complete enough for the stage reached ?
Is the case Green Book compliant ?

Strategic Case: (the case for change) should cover rationale, background, policy context and strategic fit.
Are there clear SMART objectives in terms of outcomes and are dependencies, constraints and risks identified ?

Economic Case: (Economic Appraisal)
- Is there a reasonable range of options in the long & short lists ?
- Is ruling out of potential promising options clearly justified ?
- Are all economic costs and benefits clearly calculated for each year covered by the proposal with NPV calculated correctly (see over) ?
- Is distributional analysis needed, who benefits, who pays ?
- Are all costs and benefits quantified, if not is this justified ?
- Are there any decisive unquantified cost/benefits and are they clearly explained ?
- Are there appropriate sensitivity analyses, including worst case scenario ?
- Are results of each option presented clearly including do nothing/minimum option?
- Are risks, constraints and dependencies identified and managed ?
- Is optimism bias properly included and aligned with risk ?
- Are wider impacts assessed e.g. sustainability, competition, regulatory impact. ?
- Is there a Benefits register; benefits realisation (delivery) plan ?
- If PFI involved is tax properly treated and is risk transfer clearly achieved ?
- Is best VfM = max NPV and if not do unquantified benefits justify the cost ?
- Exchequer impact calculated separately and not included in NPV !
- Are monitoring and evaluation costs included ?

Commercial Case:
- Is the proposal commercially feasible / deliverable ?
- What procurement is required; goods, services, land, buildings ?
- What is the procurement strategy ?
- What are the key contractual issues ?

There must be clear agreed accounting treatment

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- Is risk identified and managed and allocated ?
- Is there a risk allocation table?
- What if any are the personnel implications and is TUPE applicable ?

Financial Case: (Financial Appraisal)
- Focus on affordability; is full budget funding secured and budgeted by all parties ?
- What are the impacts on income/expenditure a/c and on balance sheet if applicable ?
- Are potential cost over runs provided for are the any contingent liabilities ?
- Any guarantees ?

Management Case (programme or project management)
- Is the proposal practically deliverable and what are the delivery plans ?
- Are there clear delivery dates and detailed milestones ?
- Does the proposal require programme or project management techniques ?
- Is there a contract management plan ?
- Change management requires a change management plan !
- If in a controlled environment such as ICT use of PRINCE 2 is mandatory !
- Does the plan include clear arrangements for OGC Gateway peer reviews ?
- Is there a contingency plan with arrangements & provision for risk management ?
- There should be a benefit realisation table and plan.
- Does the plan include monitoring arrangements (who when how and costs) ?
- Does the plan include post implementation evaluation arrangements (including who when and costs) ?

Notes on NPV calculation key issues (if in doubt, consult an economist)
- Correct discount rate (3.5% real).
- Figures in real terms/constant prices at base year, sunk costs excluded.
- Opportunity costs of already-owned assets included.
- Residual values included.
- Double counting avoided.
- Transfer costs / benefits excluded.
- Uses only economic resource costs (payment good/service).
- Financing items/sources excluded.
- Second round effects included (e.g. only genuine job creation).
- Tax/subsidy treatment must be non-distorting between options.