



Department of

Finance

An Roinn

Airgeadais

Better Business Cases NI

Overview of the Five Case Model Standalone Outline Business Case

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Overview of Five Case Model: standalone Outline Business Case (OBC)

Case	Step Number and Description		Better Business Cases Action and Description		HMT Guidance Reference
Strategic Case	1	Determining the strategic context	1	Ascertain strategic fit	P.17
	2	Making the Case for Change	2	Agree strategic context	P.19
			3	Determine spending objectives, existing arrangements and business needs	P.20
			4	Determine potential business scope and service requirements	p.22
			5	Determine benefits, risks, constraints and dependencies	P.23
Economic Case	3	Exploring the preferred way forward	6	Agree critical success factors (CSFs)	P.27
			7	Determine long-list options and SWOT analysis	P.28
			8	Recommended preferred way forward	P.35
	4	Determining Value for Money (VfM)	9	Revisit the SOC and determine the short-list **not applicable if an SOC was not prepared**	P.43
			10	Prepare the economic appraisals for shortlisted options	P.44
			11	Undertake benefits appraisal	P.51
			12	Undertake risk assessment/appraisal	P.52
			13	Select preferred option and undertake sensitivity analysis	P.57
Commercial Case	5	Preparing for the potential Deal	14	Determine procurement strategy	P.61
			15	Determine service streams and required outputs	P.62
			16	Outline potential risk apportionment	P.63
			17	Outline potential payment mechanisms	P.64
			18	Ascertain contractual issues and accountancy treatment	P.66
Financial Case	6	Ascertaining affordability and funding requirement	19	Prepare financial model and financial appraisals	P.68
Management Case	7	Planning for successful delivery	20	Plan project management	P.75
			21	Plan change management	P.77
			22	Plan benefits realisation	P.78
			23	Plan risk management	P.79
			24	Plan Post-Project Evaluation	P.81
Key Considerations - (See overleaf for more info)					
Proportionate Effort		Appropriate Expertise		Rational Judgement	

Key Considerations

Proportionate Effort

The development of business cases uses up resources. The effort that should go into it and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in view. Decisions on small expenditures need relatively little appraisal, while those with major spending implications require significant resources to be devoted to appraisal. Similar principles apply to ex post evaluation.

Judgement of proportionate effort should take into consideration the totality of the resources involved in a proposal. However, particular weight should be given to the total public funds involved, since it is primarily for these that public bodies are accountable to the taxpayer.

Appropriate Expertise

As outlined in the [Best Practice Guide](#), the Five Case Model places an onus on the Senior Responsible Owner (SRO) of a project/programme/policy to seek the appropriate input, from the relevant experts (e.g. policy, finance, procurement, commercial, economist etc.) to develop each section (or case) of the BC before seeking approval. The extent of advice and support needed will be a matter of judgement for the SRO and will depend on a number of factors including the complexity of the proposal under consideration, the potential cost, whether it is a routine spend or one of a number of similar proposals, as well as the level of experience of the SRO or project team.

It is also important that the appraisal is appropriate in the sense that the correct methodology is used and tailored to suit the case in hand, because there are variations in how the steps of appraisal apply in different spending areas. Judging this is a matter of experience and departmental economists should be consulted where there is any doubt.

Rational Judgement

Related to the concepts above, it is important that those involved in the BC process use rational judgement in terms of the nature, scope and scale of the BC. The guidance is there to be followed but each proposal is different and may not require all, or some of the actions identified in the HMT guidance. Proportionate effort and a common sense approach should be applied to ensure the BC is reasonably robust to enable a decision to be made on a preferred option, thereby illustrating potential VfM and aiding expenditure decisions. If in doubt, seek advice from the relevant experts. Note that when deciding whether to do a standalone OBC or follow the SOC-OBC-FBC route, SROs/Accounting Officers may wish to consult P.111 in the [HMT Guidance](#), Section 4 of the [Plain English Guide](#) and the FAQs in the [Best Practice Guide](#).

The Role of Workshops for a standalone Outline Business Case

HMT Guidance for the Five Case Model outlines why the use of workshops is recommended at various stages of the BC process. The workshop approach is suggested so that the key stakeholders are engaged earlier on, and can challenge and assist in shaping the direction of the project.

The five workshops and where to find info on them in [HMT Guidance](#) have been listed below. The guidance includes objectives of the workshop, key participants and outputs.

Workshop 1 – Case for Change (P.26)

Workshop 2 – Identifying and assessing the options (P.39)

Workshop 3 – Assessing the Short-listed Options (P.60)

Workshop 4 – Developing the Deals (P.68)

Workshop 5 – Successful Delivery Arrangements (P.83)

When standalone OBCs are being developed it is recommended that four workshops are held as shown below.

Workshop	Relevant Case	Info
Workshop 1 – Case for Change and Identifying and assessing the options	Strategic Case	This amalgamates workshops 1 and 2 from the HMT guidance and is primarily concerned with the outputs of the strategic case.
Workshop 2 – Assessing the Short-listed Options	Economic Case & Financial Case	This is Workshop 3 from the HMT guidance. However, given the nature of the workshop and stakeholders involved, it would also be useful to include discussions around the financial model and appraisals.
Workshop 3 – Developing the Deals	Commercial Case	This is the same as Workshop 4 in the HMT guidance and is linked to the Commercial Case.
Workshop 4 – Successful Delivery Arrangements	Management Case	This is the same as Workshop 5 in the HMT guidance and is linked to the Management Case.

The requirement for workshops should be undertaken with proportionate effort in mind and it may not be necessary to hold formal workshops as this could take the form of meetings with stakeholders. However, it is always important to engage stakeholders early in the process and document this, as described in the HMT guidance, to ensure the BC is as robust as possible.