Swansea Bay City Deal
Guidance Note

Business Case Development

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Business Case Development

1. **Overview**

   1.1. The following guidance provides the process and requirements for Senior Responsible Owners (SROs) and Project Leads to update the Swansea Bay City Deal (SBCD) project and programme business cases.

   1.2. Business cases are an essential management and governance tool for programmes and projects and a key element in ensuring successful delivery.

   1.3. Adopting HM Treasury's Green Book guidance and as part of the governance and approval arrangements for the SBCD, there is a requirement for the 9 headline business cases to be maintained and updated on a regular basis.

   1.4. The updating of business cases is particularly important at points in the project or programme lifecycle when decisions are made, milestones are achieved or in preparation for assurance reviews during the procurement, delivery and operation phases.

   1.5. It is the responsibility of the SROs to oversee business case updates. Ensuring stakeholders are informed and that the business case remains current, viable and deliverable.

2. **Better Business Case Guidance**

   2.1. HM Treasury's Better Business Case guidance must be adhered to when updating business cases. Business case development and approval and is detailed in the Welsh Government Governance and Assurance Framework for the City Deal.

   2.2. Updates should cover all five dimensions of a business case as illustrated below.

The 5 Dimensions of the Case
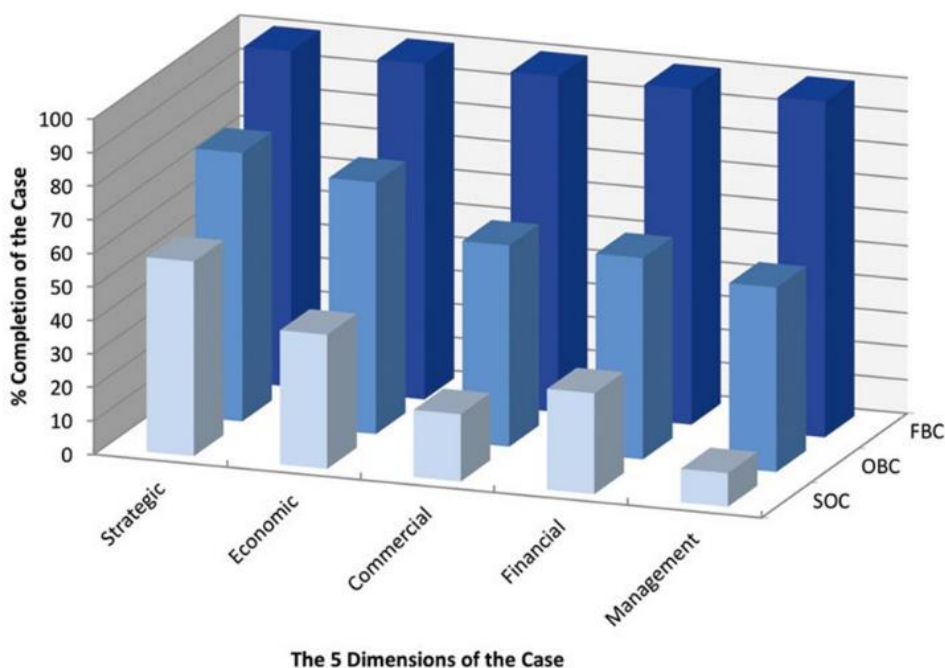
   2.3. All nine business cases have been developed past the Strategic Outline Case (SOC) stage and are at Outline Business Case (OBC) or working towards Full Business Case (FBC). Definitions of each business case stage is summarised in the table below.

Strategic Outline Case (SOC)

The SOC establishes the business need for a proposed project, its strategic drivers and any resulting investment in resources. The main purpose is as a scoping and planning document with a focus on strategic issues and the identification of options for detailed assessment at the next stage. The SOC is developed across the 5 business case dimensions and determines the strategic context for the project, makes the case for change and explores options for the preferred way forward.

Outline Business Case (OBC)

The OBC revisits and builds upon the information contained in the SOC to further develop the 5 business case dimensions. The OBC has a focus on determining value for money through the identification of a preferred option through an economic appraisal process, the detailing of the potential procurement arrangements, ascertaining affordability and funding requirements and planning for successful delivery in the management and governance of the project. The OBC provides the organisation and sponsors the information to make a well-informed decision to invest in the project.

Full Business Case (FBC)

The main tasks involved in producing the FBC focuses upon revisiting and updating the conclusions of the OBC and documenting the outcomes of the procurement process. The 5 dimensions of the business case are updated with particular emphasis on the economic, commercial and financial cases. The FBC identifies the market-place opportunity which provides optimum value for money, sets out the commercial and contractual arrangements for the negotiated deal, confirms the deal is still affordable and details the management arrangements for the successful delivery, monitoring and evaluation of the project.

3. **SBCD Approach to Updating Business Cases**

   3.1. Due to hybrid nature of the nine SBCD business cases and the varying stages of delivery for individual projects within them, the PoMO have been discussing the most appropriate process to update, and format to present, business case updates across the Portfolio with the WG and UKG Sponsors.

   3.2. Business case updates could be a result of many instances. For example, procurement of a solution, in preparation for a Gateway assurance review, key milestone decision, significant change to current plan or schedule, change of strategic organisation, tranche or project completion, economic assessments, etc.

   3.3. It has been agreed that SROs and Project Leads have two options in their approach to update a business case:

      Option A – Business Case rewrite (updating of existing business case document)

      Option B – Business Case addendum (as a single document)

3.4. In either approach, business case updates need be to clearly summarised and reflect key changes or progress since the original or previous version that was submitted via the SBCD governance arrangements.

3.5. Updates must cover all five business case dimensions, noting that dimensions with no change needs to be stated.

3.6. For clarity, a diagram is attached at Appendix A which provides specific detail on the process and the responsibilities within it.

3.7. The Better Business Case Guidance process to move from OBC to FBC summarised below must also be followed.

3.8. A full description of this process is described within the Better Business Case guidance documents Guide to developing the project business case | GOV.WALES. and below is an extract of the process, which includes procurement updates for the Economic and Commercial Cases.

Step 1 Procuring the VfM solution

Actions:
1. Revisit and update the case for change (Strategic Case)
2. Revisit the OBC options (Economic Case)
- Confirm that the conclusions of the OBC economic appraisal are still valid. Confirming that rankings, benefits etc remain the same. If any of the **key assumptions** have altered, the FBC must demonstrate that the recommended option continues to offer better public value than the other available options
3. Detail the procurement process and evaluation (Economic Case)
- Confirm the procurement strategy, route and evaluation criteria that were followed as set out in the OBC and explain any changes
- Confirm that the option offering best public value is recommended for the approval, subject to affordability

Step 2 Contracting for the Deal

Actions:
4. Set out the negotiated Deal and contractual arrangements (Commercial Case)
    - Choice of Service provider and the detail of the Deal and contract
    - Revisit the headings of the Commercial Case and update
5. Set out the financial implications of the Deal (Financial Case)
    - Confirming the affordability of the Deal
    - Revisit the headings of the Financial Case and update

Step 3 Ensuring successful delivery

Actions:
6. Finalise project management arrangements and plans
7. Finalise change management arrangements and plans
8. Finalise benefits realisation arrangements and plans
9. Finalise risk management arrangements and plans
10. Finalise contract management arrangements and plans
11. Finalise Post-Project Evaluation arrangements and plan

4. Roles and Responsibilities

4.1. The PoMO will oversee the SBCD business case update process and offer support and advice on updating of business cases.

4.2. The PoMO will also ensure timely SBCD governance updates to wider SBCD stakeholders, boards and committees as required, by way of reports and presentations from all projects and programmes.

4.3. SROs/Project teams are responsible for updating their business case at appropriate times, reflecting the schedule in their Integrated Assurance and Approval Plan (IAAP) and engaging with their stakeholders, including the SBCD PoMO to outline their approach and timeframes prior to proceeding with a business case update.

5. Approvals

5.1. Updated business cases are to be presented for approval to the project or programme governance board by the SRO and reported to the PoMO for information and inclusion to appropriate SBCD governance boards.

5.2. All business case changes should be reported through a change notification, outlining the changes made within the update.

5.3. If there are significant changes to the business case, the SRO must oversee the completion and reporting of a change request. The change management process is overseen by the PoMO where advice and guidance will be provided, in order to ensure the appropriate level of approval is given to any submitted change request.