

## Business case proforma

*This document was created in 2010 by The Access Partnership for the Chartered Society of Physiotherapy. Although it is a historical document, it is felt to continue to be useful as guidance for building a business case proforma. It is important to take this in context and review other more up to date and local examples alongside this.*

Use the headings in this proforma to put together a business case with a logical format, with appropriate and accessible content, and which achieves agreement of the case being made.

### Contents

- Basic details
- Executive summary
- Purpose of the business case
- Assumptions
- Constraints
- Option appraisal
- Submission template
- Implementation of project
- Notes and priorities for follow-up and support

### Basic details

A **TITLE** which is as clear and concise as possible

e.g. 'Feasibility study on the costs and impact of a dedicated appointment system for X service'; or 'Cost and benefit study on the planned children's centre'

Keep abbreviations to a minimum

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Name of **AUTHOR**

Include reference to 'from', 'prepared by', 'submitted by' etc as this may add credibility

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**POINT OF CONTACT** for further information

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**DATE** and **VERSION**

Include **completed date** and **submitted date**

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### Executive summary

**Important note:** Remember, some people may read only this section!

Used to **introduce the business problem**

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Briefly describe **actions taken to date** to address the problem

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Present the **state of the problem at the time of writing**

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An assessment of **how the business needs are currently being met (or not)**

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**Stakeholders / sponsor** names

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Summary of **intentions**

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**Recommended option**

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## **Purpose of the business case**

Note: Use the **SMART** format for your objective:

- S**pecific
- M**easurable
- A**chievable
- R**ealistic
- T**ime specific

What is the **compelling case for change** in terms of current and future needs of the department / service / organisation?

Include:

- the goal of the project
- what it will deliver

Describe:

- how the project will contribute to organisational strategy and key objectives
- how it takes advantage of available opportunities identified in SWOT and other analysis

e.g. 'Supports the organisation's target of reducing waiting times so that no patient has to wait longer than X weeks'.

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## **Assumptions**

Note: **You don't need to create any** if they don't exist.

Help to **build credibility** and **reduce uncertainty**

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Identify requirements for **specialist resources**

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Identify **internal and external factors** on which delivery depends

e.g. other similar projects being undertaken by other departments or services elsewhere

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List key assumptions only:

e.g. 'We assume that the demand for this service will continue to rise by an average of 7 per cent per year for the next three years. This assumption is based on the following facts:

- Examination of demand trends over the past 3 years
  - Expected increase in new affordable homes in the area, attracting younger families with children requiring health care
  - Reduction in capacity due to planned leave e.g. maternity, student placements etc
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**Constraints**

List main ones only:

e.g. Affordability; contractual commitments; capability and capacity issues.

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**Option appraisal**

Identification of options considered:

- Option 1: do minimum or nothing
- Option 2: intermediate options, or options which would achieve similar results
- Option 3: preferred option, or the one that provides the closes fit to the stated objectives.

Write out the recommended option in full.

<b>CRITERIA</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>ADVANTAGES</b> (linked to objectives)			
<b>DISADVANTAGES</b>			
<b>COSTS</b>			
<ul style="list-style-type: none"> <li>• direct</li> <li>• indirect</li> <li>• recurrent / non recurrent</li> <li>• capital / revenue</li> </ul>			

<ul style="list-style-type: none"> <li>• marginal / full costs</li> </ul>			
<b>WORKFORCE</b>			
Headcount – WTE changes			
<b>RISKS/THREATS</b>			
<ul style="list-style-type: none"> <li>• main threats (3 maximum)</li> <li>• likelihood and impact</li> <li>• how to minimise</li> <li>• costs</li> </ul>			
<b>RISKS/OPPORTUNITIES</b>			
<ul style="list-style-type: none"> <li>• main opportunities (3 maximum)</li> <li>• likelihood and impact</li> <li>• how to maximise</li> <li>• costs</li> </ul>			
<b>COMMENTS</b>			

## Submission template

If your organisation does NOT require you to submit the previous sections, you may need to describe your considered and chosen options more comprehensively here.

### ***Section 1: Corporate strategy and objectives (CSO)***

As set out in the annual plan and LDP summary.

State the **CSO targets / priorities** that this business case will help to achieve

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**Name of business case** (concise title)

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**Business case / project number**

Will be supplied by your project office or similar if required

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**Lead Director or sponsor** (may not be your own Director)

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**Lead person**

Lead officer and contact point, including phone number and email address

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**Care setting**

e.g. acute / community etc

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**New or existing service?**

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### ***Section 2: Brief details of your preferred option***

Briefly describe **how the chosen option best delivers the desired changes** to current arrangements; distinguish between improved outcomes for patients and VFM (value for money) improvements for the organisation.

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**Describe the cost implications** (in words):

e.g. if this is a one-off investment in capital expenditure to reduce annual running costs, how many years will it take for the savings to equal / repay the investment?  
Or, if this is a temporary increase in service capacity, explain your understanding of which costs will be affected and how.

Complete this summary (in numbers):

£000s

Investment total	X
Annual additional recurring income	Y
Additional annual recurring running costs	Z
Net recurring surplus	Y - Z
Number of years before cumulative savings exceed investment	X / (Y-Z)

(Investment total divided by net recurring surplus)	
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**Programme budget category**

Your finance or performance leads will be able to advise you where this service objective fits within the National Framework.

**Summary of health outcomes**

Identify the health outcomes and timescales of the project which will benefit the community / patients / clinicians and refer again to the CSO / LDP. Be specific where you can – identify KPIs (Key Performance Indicators)

**Section 3: Estimated expenditure and activity**

**Key activity and cost components**

Refer back to the Options section.

	Activity/capacity change	Recurring £000s	Non recurring £000s
1 <sup>st</sup> year			
2 <sup>nd</sup> year			
3 <sup>rd</sup> year			

**The investment**

Whether Capital or Revenue \_\_\_\_\_

**NOTES:**

1. Recurring costs are best thought of as permanent; non recurring costs as one-offs. BUT note that if the timing of the expenditure straddles financial year end (31 March) you will need to show in which year it will happen.
2. There is no need to complete another year's information if the activity or financial information will not change. Depending on the scale/timing, of your scheme, first and second year may be the only entries required.
3. Investment can be either Capital or Revenue. A single item of equipment or related items making a whole (e.g. a piece of equipment, peripherals, installation and training) costing more than £5000 is Capital expenditure. Expenditure of any amount which repairs or reinstates a facility to its 'former glory' WITHOUT enhancing or expanding it is NOT Capital.

**Additional income**

Identify any extra full year recurring income-earning potential, including any stated commissioner intentions.

**Analysis of additional expenditure** (identified above)

Your Finance department or project office will be able to advise whether they want this detailed by cost behaviour or structure,

	Variable / semi variable	Fixed
Own department		
Others		
<b>TOTAL</b>		

**Workforce requirements**

Projected workforce changes:

	Staff in Post (SIP)	Whole Time Equivalent (WTE)	Notes
1 <sup>st</sup> year			
2 <sup>nd</sup> year			
3 <sup>rd</sup> year			

Analyse further the changes in staffing requirements, both SIP and WTE, by staff group, grades and department:

Own department

Others

**TOTAL**

**Section 4: Risks / Opportunities**

**Top Three Threats**

From optional Appraisal Risks section:

Scores: L=likelihood,  
I=impact.

Multiply L by I to get the TOTAL.

**L      x I      = TOTAL**

THREAT 1				
Controls we can introduce and/ or strengthen to minimise this				
THREAT 2				
Controls we can introduce and/ or strengthen to minimise this				
THREAT 3				
Controls we can introduce and/ or strengthen to minimise this				

### Top Three Opportunities

From optional Appraisal Risks section:

Scores: L=likelihood,  
I=impact.

Multiply L by I to get the TOTAL.

**L x I = TOTAL**

OPPORTUNITY 1				
What we can do to make this more likely to happen				
OPPORTUNITY 2				
What we can do to make this more likely to happen				
OPPORTUNITY 3				
What we can do to make this more likely to happen				

### Sign-off

	<i>Signature</i>	<i>Date</i>
Lead person		
Management accountant		
Lead Director		

### Implementation of project

#### How the project will be managed

**Work plan** with Gantt Chart, Milestone Plan

**Responsibilities** (for whole project or parts of it)

#### Quality plan

e.g. meetings to check delivery of outputs; monitoring arrangements; reporting arrangements, and agreeing format and frequency of reports



**Identification of all personnel who will be involved**

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**Notes and priorities for follow-up support**

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