



CORNWALL &
ISLES OF SCILLY
LOCAL ENTERPRISE PARTNERSHIP

Growth Deal 3

Full Business Case Guidance

June 2017



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Introduction

Business cases should be prepared and appraised in accordance with HM Treasury Green Book guidance and by applying the 5 case models which is commonly used for economic development and transport projects. These can be summed up as follows:

1. The strategic case- is it needed?
2. The economic case- is it value for money?
3. The commercial case- is it viable?
4. The financial case- is it affordable?
5. The management case- is it deliverable?

Business cases should be proportionate and appropriate for the size and type of project and the guidance applied accordingly.

It is recommended that in the preparation of a detailed business case submission you consider the guidance available on the Government website as follows:

www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government

Business cases will demonstrate that:

- a) there is a clear rationale for the interventions linked with the objectives and evidence in the Strategic Economic Plan;
- b) a range of options have been considered to see which best meets the strategic objectives and opportunity and provides the best value for money;
- c) the proposal has clearly defined inputs, activities, outputs and anticipated outcomes, which are additional;
- d) the benefits exceed the costs of intervention;
- e) deliverability and risks have been appropriately considered and if there are likely to be clear mitigations for those ;
- f) due regard to equalities, social value and environmental impact are taken into account;
- g) they comply with procurement regulations and are State Aid compliant.

Section 1 - The Strategic Business Case

In this section of your Business Case, we would expect to see (as a minimum) the following points:

- Rationale
- Background
- Policy context
- Strategic fit
- SMART objectives
- Dependencies
- Constraints risks

Section 2 - The Economic Case

In this section of your Business Case, we would expect to see (as a minimum) the following points:

- Options analysis
- Economic costs & benefits
- Non-quantifiable costs & benefits
- Sensitivity analyses and Switching Values
- Optimism bias
- Additionality
- Best Value for Money Option

Section 3 - The Commercial Case

In this section of your Business Case, we would expect to see (as a minimum) the following points:

- Commercial feasibility
- Procurement requirements
- Procurement strategy
- Contractual issues
- Milestones & delivery dates
- Risks identified
- Risks allocated

Section 4 - The Financial Case

In this section of your Business Case, we would expect to see (as a minimum) the following points:

- Affordability
- Confirmation of budget profiles
- Impacts on income & expenditure & balance sheet (if applicable)
- Contingency for cost overruns
- Contingent liabilities (e.g. cost of cancellation of contract)
- Guarantees

Section 5 - The Management Case

In this section of your Business Case, we would expect to see (as a minimum) the following points:

- Delivery Plan
- Milestones & delivery dates
- Programme/ project management process/ techniques
- Contract management
- Evaluation
- Contingency & Risk Management

Please contact info@cioslep.com if you require any further clarification.