# Single Stage Business Case (SSBC) Review

This assessment tool is based on the criteria, and evidence required, detailed in the Better Business CasesTM guidance on the New Zealand Treasury website and it should be used in conjunction with that guidance:

[www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases/guidance](https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases/guidance)

The Single Stage Business Case recommends a preferred option that optimises value for money and seeks approval from decision-makers to finalise the arrangements for successful implementation. A Single Stage Business Case should only be used when:

* A project is low risk and small scale -and/or-
* Options are *genuinely* limited so there is little value in the normally mandated long-list/preferred way forward/short-list/selection process

The SSBC:

* confirms the strategic context of the organisation and how the proposed investment fits within that strategic context
* confirms the need to invest and the case for change
* identifies a range of potential options, proportionate to the scope, size and risk profile of the project
* determines the preferred option which optimises value for money, by undertaking a detailed analysis of the costs, benefits and risks of the short-listed options
* prepares the proposal for procurement
* plans the necessary funding and management arrangements for the successful delivery of the project
* informs a proposal to decision-makers to seek agreement to approach the market and finalise the arrangements for implementation of the project.

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| AGENCY NAME |  |
| INITIATIVE NAME |  |
| GENERAL COMMENTS | …*The Reviewers apply an investor lens to business cases.* *This feedback is concerned with ensuring that the document clearly articulates the case to investors, and that the purpose and value of the proposal is clearly laid out.* *The key focus of this review is to ensure that the document provides decision-makers with sufficient context and information to make an informed decision, while ensuring that the case itself is succinct and effective.* |

| Ref | Requirement | Main evidence expected | Reviewer Comments |
| --- | --- | --- | --- |
| Executive Summary  |
|  | General feedback | [If there is an Executive Summary]. Is it complete enough to be standalone? Does it concisely summarise the 5 cases? Does it include case studies or vignettes to make it more accessible to readers?The first paragraph should outline the project and spend for which approval is being sought.  | An ExecSumm is optional. For a state sector project an Executive Summary should inform, and may be identical to, a Cabinet Paper/Ministerial Briefing paper.The executive summary should tell the investment proposal story clearly at a summary level; it should meet the needs of multiple audiences by setting out the 5 cases of the business case in a brief, concise and accessible form.  |
| Strategic Case[[1]](#footnote-1) |
| **2** | **Strategic Context***–* *Does the initiative support government strategy (eg Wellbeing)?* *Is the proposal an integral part of the organisation’s (or organisations’) business strategy?* | **Briefly** explains how the project supports wider government strategies and the existing policies and strategies of the organisation, and aligns with other programmes and projects within the strategic portfolio.* Reference/extracts from the Strategic Assessment (Action 1: the Case for Change) if there was one
* Extracts from business and other relevant strategies.
* Reference to relevant government and organisational policies.
* Demonstrates alignment with wider national or sectoral priorities and goals, policy decisions, other multi-agency programmes/projects (if relevant), eg, linkages to Wellbeing imperatives and/or the Living Standards Framework[[2]](#footnote-2) or equivalent sector/agency framework.
 | *Consider categorising feedback as:* *Critical: essential for the SSBC to be investment-decision ready**Desirable: things the project should consider.*  |
| **3** | **Investment Objectives** *– Are the investment objectives and underpinning business needs defined clearly and supported by key stakeholders and customers?* | Specifies the investment objectives for the project. These should focus on the target outcomes for the intervention and be SMART:* Specific
* Measurable
* Achievable
* Relevant
* Time-bound.
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| **3a** | Existing Arrangements and Business Needs – *Are the underpinning business needs defined clearly and supported by key stakeholders and customers?* | Provides a factual picture of the organisation’s current service model. * Relevant extracts from business and other strategies.
* Reference to any scoping documentation.
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| Clearly describes existing arrangements (ie, what is currently happening), highlighting current problems, challenges and opportunities. |  |
| Specifies the organisation’s business needs in terms of the service improvements required to achieve the specified spending objectives. Focus is on the “service gaps” (ie, required changes from the current state/operating model). |  |
| Provides references or links to supporting documents showing senior management and key stakeholder involvement and support. |  |
| * Evidence of a ‘case for change' workshop using Investment Logic Mapping (ILM) (mandatory for High Risk/High Value projects in state sector entities) or equivalent analysis technique.
* Evidence of Senior Responsible Owner (SRO) and other key stakeholder involvement in this analysis workshop.
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| Ref | Requirement | Main evidence expected | Reviewer Comments |
| --- | --- | --- | --- |
| **4** | **Potential Business Scope** *– is the scope for potential change to current services and business processes clearly defined, including what is out of scope?* | Identifies the potential scope for the project in terms of the outcomes, services changes and operational capabilities required. Focus is on the projects - outputs and key activities - required to close the “service gaps” identified on a continuum-of-need basis: core (essential); desirable and optional.Clear documentation of scope exclusions/boundaries.Statement of any security and confidentiality issues. |  |
| **5a** | **Benefits** *– Have the main benefits been clearly defined by key stakeholders and customers, with arrangements for their management?* | Specifies the main potential benefits (and disbenefits) associated with the achievement of the project’s investment objectives by beneficiary (recipient), class (type, eg, cash- and non-cash-releasing), and category:* Direct public sector benefits (to originating organisation)
* Indirect public sector benefits (to other public sector organisations)
* Wider wellbeing benefits to NZ society (eg, households, individuals, businesses).

Benefits are related to outcomes.* Benefits alignment to the Investment Objectives and/or wider strategic objectives.
* Evidence of consideration of benefit relationship to Wellbeing imperatives and/or the Living Standards Framework[[3]](#footnote-3) or equivalent sector/agency framework.

The approach to benefits appraisal is prudent, proportionate and evidenced based. Completed benefit profiles for key benefits, including measures. Initial benefits realisation plan/register appended to the SSBC. All benefits should be recorded in the benefits register with high-level measures and delivery timeframes. Evidence of analysis of Baseline against which to measure benefits.Ranking of benefits by key stakeholders and evidence of stakeholder agreement to benefits identified.  |  |
| **5b** | **Risks** *– Have the main risks been identified, along with arrangements for their management?* | * Outline of risk management strategy, agreed by key stakeholders.
* List of key risks, with an assessment (likely probabilities and impact (high, medium, low)) and mitigation strategy for each.
* Evidence of/reference to Strategy and Register(s) for Risks, Issues, Constraints, Dependencies, showing high-level arrangements for their management and control.
* If a QRA (Quantitative Risk Analysis, optional for an SSBC) has been undertaken, a summary of the analysis.
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| **5c** | **Constraints and dependencies** *– Have key organisational constraints and business dependencies been identified?* | * List of related programmes and projects and description of key dependencies to/from them (in not in 2b above, in which case a reference)
* Evidence of high-level critical path analysis; impact of dependencies on timeframes.
* Assessment of internal and external constraints and assumptions.
 |  |
| Economic Case |
| **6** | **Critical success factors** *– Have the critical success factors for options appraisal been identified?* | Agreed and prioritised CSFs (high, medium, low).Generic CSFs include: strategic fit and business needs; value for money; supply-side capacity and capability; affordability and achievability. These should be tailored appropriately to the project as required.Provides relevant performance measures, at a high level. |  |
| **7** | **Long List Options and Initial Options Assessment** *– Has a sufficiently wide range of options for meeting the investment objectives and business needs been considered?* | Identifies a wide range of realistic options for meeting the investment objectives and business needs.References any Feasibility Study or Discovery work undertaken.8-12 main options with full descriptions. Inclusion of both Do Nothing and Do minimum options.Uses the options framework, evidencing consideration of a range of options:* Potential scopes
* Potential service solutions
* Methods of service delivery
* Implementation
* Funding sources.

Headings must include: description, advantages, disadvantages, and conclusions, in terms of how well the option meets the agreed investment objectives and CSFs for the project. The evidence base and all sources and assumptions must be recorded.*State sector projects - if there are options with structural implications for government (eg setup of a new Department/Departmental Agency) there must be: evidence of early engagement with the State Services Commission[[4]](#footnote-4).* |  |
| **10** | Economic Assessment of shortlisted options*Has an economic assessment been undertaken of the short-listed options?* | Level of assessment is appropriate and proportionate for the scale and risk of the initiative.Summary of economic analysis showing comparative assessment of all shortlisted options; detailed analysis available.Shortlisted options include:* Do nothing or do minimum
* Public Sector Comparator, if relevant
* Alternative procurement options

Detailed benefit/cost analysis of monetary costs and benefits, including consideration of wellbeing/living standards.Use of appropriate tools:* Benefit/Cost Analysis
* Sensitivity analysis
* Quantitative Risk Analysis (QRA – mandatory for Detailed Business Case, including in the SSBC, of High Risk projects).
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| **11** | Non-monetary and monetary benefits and costs*Has an assessment been undertaken of the non-monetary costs and benefits of each of the short-listed options?* | Detailed benefit/cost analysis of non-monetary costs and benefits, including linkages to Wellbeing imperatives and/or the ‘4 capitals’ of the Living Standards Framework[[5]](#footnote-5) and/or equivalent sector/organisation framework.The level of analysis is appropriate and proportionate to the scale and risk of the initiative. |  |
| **12** | Risk and uncertainty *– Have the risks and uncertainties around each shortlisted option been considered?* | The level of assessment is appropriate and proportionate for the scale and risk of the initiative.Risk and uncertainty of each short-listed option measured and quantified for all project stages:* Design
* Build
* Finance
* Operate
 |  |
| **13** | The preferred option – *Does the preferred option provide best public value?* | Evidence that Sensitivity Analysis has been undertaken to test the recommended preferred option. Preferred option appears a realistic solution capable of implementation. |  |
| Commercial Case |
| **14** | **Procurement strategy** *– Has the intended procurement strategy been defined? (high- level assessment of the potential deal and its likely acceptability to potential suppliers)* | Level of assessment is appropriate and proportionate for the scale and risk of the initiative.Consideration of procurement options including:* Procurement routes
* Use of preferred bidder
* Detailed evaluation criteria (mapped to detailed requirements)
* Negotiation strategy
* Procurement plan for procurement of key outputs and activities, and timetable (outlined in BC or attached, detail available).
* Likely contract length

Evidence of guidance/review/support from NZ Government Procurement and of compliance with procurement rules. |  |
| **15** | **Determine service streams and required outputs** *– Is there sufficient scope for a potential deal which meets organisational needs while offering public value* | Level of assessment is appropriate and proportionate for the scale and risk of the initiative.Description of the scope and content of the deal to be made with public and private service providers:* Specification of core, desirable and optional services
* Delivery timescales (phased improvements etc.)
* Grouping of requirements in terms of *outputs*, to enhance innovation
* Consideration of ownership of residual assets
* Service levels and performance measures
* Specification of quality attributes.

Links to detailed requirements for the service or asset, to a level of detail suitable for a Request for Proposal.*Note that while requirements analysis is required, this is part of the broader project/programme, not part of business case development* |  |
| **16** | **Risk****allocation***– has how risks may be balanced between purchaser and supplier(s) been considered?* | Evidence of consideration of risk transfer in Design, Build, Finance, Operate, stages:* If the supplier is better able to influence the outcome than the purchaser; where the supplier has clear ownership, responsibility and control

Evidence of consideration of risks associated with risk transfer, and potential impact on supplier incentives, financing costs. |  |
| **17** | **Payment mechanisms***– Have the pricing and payment mechanisms been considered?* | Evidence of consideration of payment options over the life of the contract(s):* Consideration of incentives for suppliers to provide value and innovate
* Consideration of balance between risk and return
* Relation between delivery of service outputs and performance of supplier (mechanisms and milestones).

Consideration of process to manage change. |  |
| **18** | **Contractual and other issues***– Have intended contractual arrangements been outlined?* | Outline of the proposed contractual arrangements, including the use of a particular contract type, the key contractual issues for the deal and its accountancy treatment.* Duration and break clauses
* Roles and responsibilities
* Payment/charging mechanisms
* Change control for new/updated requirements
* Remedies in the event of failure
* Treatment of intellectual property rights
* Dispute arrangements
* Allocation of risk
* Compliance with regulations
* Operational and contract administration Ts&Cs
* Options at end of contract.

Outline arrangements for Contract management. |  |
| Financial Case |
| **19** | ***Affordability and funding****Has a high-level assessment of the overall affordability of the short-listed options and possible funding sources been undertaken?* | Level of assessment is appropriate and proportionate for the scale and risk of the initiative.Financial analysis for the preferred option, including assessment of:* Capital and revenue implications
* Balance sheet impact
* Income and expenditure account impact
* Contingencies.

Written evidence of Commissioner’s support. Summary of the Quantitative Risk Analysis if done (QRA – mandatory for Detailed Business Case of High Risk projects). |  |
| Management Case |
| **20** | ***Project Management planning*** *– Have all the necessary arrangements for the delivery phase been considered and designed?* | * Links to broader Programme methodology, if applicable.
* Project methodology:
	+ Project board and structure
	+ Project manager and team
	+ Project plan
	+ Project resources and budget
	+ Reporting mechanisms
* Use of external advisers
	+ Legal
	+ Financial
	+ Commercial
	+ Technical
	+ Others
* Frameworks developed for Change management, benefits realisation, risk & issues management.
 |  |
| **21** | ***Change management planning*** *– has the impact on the organisation been assessed? Has a framework been designed to manage this change?* | Links and references to a detailed and realistic Organisational Change Management Plan, including:* Use of a structured change management framework
* Change impact analysis

Change communication plan |  |
| **22** | ***Benefits*** *– Is work well advanced on planning for benefits realisation, tracking and monitoring* | Links and references to a detailed and realistic Benefits Realisation Plan, which may be appended to the Detailed Business Case. This should include:* Detailed and realistic benefits realisation plan
* Realistic Benefits schedule
* Updated Benefits map
* Benefits monitoring and reporting plan including detailed measures
* Benefits profiles for any new/emerging benefits or disbenefits identified as circumstances change.

Information may still be incomplete but should provide a format to show information as it is gathered. |  |
| **23** | ***Risks*** *– Has the assessment of likely risks been revisited and examined in further detail?* | Links and references to a completed, detailed and realistic Risk Management Framework and register:* Risks have been reviewed and updated to provide more information; more detail in the risk register, evidence of regular review of risks and update of the register.
* Risks included are not just around short-term project delivery but broader impacts; benefits, business change, procurement, workforce, migration…

The Risk Register should include both agency and supplier-side risks and should cover the full project life-cycle, not simply the current stage. It should include risk ownership, categorisation, current status, review date, required treatments and timeframes for action, consequences of risk and residual risk after treatment. |  |
| **24** | ***Project assurance and post-project evaluation planning*** *– Are assurance plans in place and post-project reviews in the plan?* | Discussion of arrangements for project evaluation:* Project assurance (IQA, TQA) & peer reviews
* Gateway reviews, if applicable
* Project implementation reviews
* Operational & Benefits Realisation review, if applicable

Cabinet report-back on benefits if applicable |  |
| Other comments: | *Optional* |
| Conclusion: | *Optional* |
| Reviewer(s) / Organisation(s): | *List reviewers and the organisation/s they represent.* *If this review is at a workshop or clinic, identify agency attendees and their roles.* | Date of Review: |  |

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| *Changes in this version from previous version, August 2019* | *Correction of typographical errors; clarification to note that QRA is mandatory for High Risk projects, including those that use the Single Stage Business Case process.* |

### Acknowledgements

This document was created using material provided by HM Treasury in the United Kingdom and the Welsh Government (Llywodraeth Cymru), licensed under the terms of the Open Government Licence v3.0 (<http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>).

The Five Case Model is the best practice standard recommended by HM Treasury for the preparation of business cases, published as The Green Book: <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf>.

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# Case coverage builds through the BBCTM process

The Better Business CaseTM is a multi-stage document that builds over time, and is baselined at each of the stages (IBC, DBC, ImBC). The SSBC combines the content of an IBC and DBC, with some variation in the depth of analysis, particularly of the possible options.

Be careful that you don’t ask for too much information too early – you are looking for just enough information to support

**Strategic Case**

**Economic Case**

**Commercial Case**

**Financial Case**

**Management Case**

the next decision point, so that effort is not wasted if a decision is made not to proceed with the project.

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**Indicative Business Case**

**IBC**

**Implementation (Full) Business Case**

**ImpBC/FBC**

**Detailed Business Case**

**DBC**

1. This number refers to the ‘Actions’ listed in each BBC guidance document [↑](#footnote-ref-1)
2. <https://treasury.govt.nz/information-and-services/nz-economy/living-standards> [↑](#footnote-ref-2)
3. <https://treasury.govt.nz/information-and-services/nz-economy/living-standards> [↑](#footnote-ref-3)
4. [www.ssc.govt.nz/mog](http://www.ssc.govt.nz/mog) [↑](#footnote-ref-4)
5. <https://treasury.govt.nz/information-and-services/nz-economy/living-standards> [↑](#footnote-ref-5)