# Programme Business Case (PBC) 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 this 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 purpose of a Programme Business Case** is to support the decision to invest in **a programme of change** that optimises potential value. A PBC is the equivalent of an Indicative Business Case for a project. The PBC:

* confirms the strategic context of the organisation and how the proposed investment fits within that strategic context
* confirms the need to invest, and makes the case for change
* recommends a preferred programme and a preferred way forward for further development of the investment proposal
* identifies the key projects and activities that will support the programme outcomes, including proposed programme tranches
* provides decision-makers with indicative costs to deliver the programme. It can be used to seek funding to conduct further analysis, develop further business cases or fund the first tranche of programme activities. It may be followed by Detailed Business Cases for the programme’s major projects or for tranches, by Single-Stage Business Cases for smaller projects, or by Indicative Business Cases for major projects where significant options analysis is required.

The Programme Business Case should be revisited at the start of each project/tranche business case. Each business case should provide an update on any *material* changes to the programme drivers, benefits, approach, timeline or costs since the completion of the previous business case.

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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 | | Logo.tifComments |
| --- | --- | --- | --- | --- | --- | --- |
| 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 programme and spend for which approval is being sought. | | An ExecSumm is optional. For a state sector programme an Executive Summary should inform, and may be in the form of, 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 | | | | | | | |
| **2**[[1]](#footnote-1) | Strategic context *–*  *Does the initiative support government strategy (eg Wellbeing)?*  *Does the document demonstrate the alignment of the programme with wider national or sectoral priorities and goals, policy decisions, other multi-agency programmes (if relevant) and with the sponsoring organisation (’s/s’) strategic intentions?* | | | Briefly explains how the programme 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) * 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 (if relevant), e.g.:   * 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 PBC to be investment decision ready*  *Desirable: things the programme should consider.* | |
| **3** | Investment Objectives *– Have measurable investment objectives been set? Are they defined clearly and supported by key stakeholders and customers?* | | | Specifies the investment objectives for the programme. These should focus on the target outcomes for the intervention and be SMART:   * Specific * Measurable * Achievable * Relevant * Time-bound. | |  | |
| **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. | |  | |
| Clearly describes existing arrangements (i.e. 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” (i.e. 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) or equivalent analysis technique.  Evidence of Senior Responsible Owner (SRO) and other key stakeholder involvement in this analysis workshop. | |  | |
| **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 programme 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. | |  | |
| **5** | Benefits *– Have the main benefits been clearly defined by key stakeholders and customers, with arrangements for their management?* | | | Specifies the main benefits and disbenefits associated with the achievement of the programme’s investment objectives by beneficiary (recipient), class (type, e.g. 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 (e.g. households, individuals, businesses). * 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 should be prudent, proportionate and evidenced based.  Completed benefit profiles for key benefits, including measures. Initial benefits realisation plan/register appended to PBC. 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. | |  | |
| **5** | Risks *– Have the main Risks, Constraints and Dependencies been identified?* | | | Outline of risk management strategy, agreed by key stakeholders.  Analysis of likely probabilities and impact (high, medium, low).   * Evidence of/reference to Register(s) for Risks, Issues, Constraints, Dependencies, showing high-level arrangements for their management and control. * If a QRA (Quantitative Risk Analysis) has been undertaken, summary of the analysis. | |  | |
| **5c** | | | **Constraints and dependencies:** *Have key organisational constraints and business dependencies been identified?* | List of related programmes and projects and key dependencies to/from them.  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 (CSFs)** *– Have the critical success factors been identified?* | | | Agrees and prioritises 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.  Provides relevant performance measures, at a high level. | |  | |
| **7** | Long List Options and Initial Options Assessment *– Has a sufficiently wide range of options been identified and assessed?* | | | Identifies the long list options and undertakes SWOT (strengths, weaknesses, opportunities, threats) analysis.  References any Feasibility Study or Discovery work undertaken.  8-12 main options – full description. 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 spending objectives and CSFs for the programme. 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): evidence of early engagement with the State Services Commission[[4]](#footnote-4).* | |  | |
| **8a** | Recommended Preferred Way Forward *– Has a preferred option for the delivery of the programme been identified following robust analysis of the options?* | | | Identifies the preferred way forward for the programme – scope, solution, service delivery, implementation and funding – together with the short-list options.  SWOT analysis of options against:   * Investment objectives * Critical success factors * Benefits criteria.   Recommends an option that optimises costs, benefits and risks (and links to the QRA, if one was held).  A description of *how* the recommended way forward was selected and rationale for its selection.  Evidence of support from key stakeholders.  For the recommended option, identifies programme tranches and a rationale. | |  | |
| **8b** | Shortlisted options | | | Describes the programme short-list options. This should include a minimum of 4-6 options, including:   * Business as Usual (BAU) (Do Nothing) * A realistic “do minimum” based on the core requirements for the project * The recommended preferred way forward * One or more possible alternative options based on more or less ambitious combinations of the preferred way forward * ‘Do maximum’, most comprehensive option * Public Sector Comparator (if required). | |  | |
| **8c** | Cost-Benefit Analyses | | | For the proposed short-list, evidence of a rough order cost/benefit analysis of monetary and non-monetary costs and benefits, including consideration of wellbeing/living standards  Allowances should be made for optimism bias.  Indicative benefits must be included.  The evidence base and all relevant sources and assumptions must be recorded. | |  | |
| Commercial Case | | | | | | | |
| **14-18** | *Procurement strategy – Has the intended procurement strategy been outlined? (high- level assessment of the potential deal and its likely acceptability to potential suppliers)* | | | Outline of procurement strategy including needs, outcomes, and market analysis.  Evidence/findings of market soundings and early engagement.  Identification of existing suppliers. | |  | |
| 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?* | | | High level:   * Indicative capital and revenue costs * Whole-of-life costs * Identification of likely sources of organisational funding.   Summary of QRA (Quantitative Risk Analysis – mandatory for a high-risk PBC. | |  | |
| Management Case | | | | | | | |
| **20-24** | ***Programme Management strategy and plans*** *– Has a high-level assessment of the achievability and deliverability of the programme been undertaken?* | | | * An initial assessment of the capacity and capability of the organisation to implement each of the short-listed options. * High level plan of preferred way forward showing indicative tranches and timescales. * Consideration of drawdown funding arrangements by tranche or by deliverable. * Use of special advisers. * Feasibility study. * Initial identification of off-ramps/formal review points for continuation. | |  | |
| **20-24** | *Are all the necessary arrangements in place for the successful completion of the next phase?* | | | Governance model that is structured to empower the right people to make the right decisions.  Stakeholder list showing accountabilities and level of engagement required.  References to Roles and Responsibilities documents and accountability frameworks  Proposed reporting arrangements  High-level Programme Plan and agreed deliverables  Evidence/reference to *strategy, frameworks and plans* for:   * Programme/project management * Change management * Benefits realisation * Risk/issue/dependency management. * Quality Assurance and Peer Review arrangements (statements/link to Assurance Plan, use of Internal Audit, IQA, Gateway and Operational/benefits reviews). | |  | |

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| 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: |  |

### 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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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)