The Programme Business Case

Joe Flanagan
Director of Investment Policy & Appraisal
NHS Wales & Welsh Government

Brief overview to best practice!

- ROAMEF – the key
- Strategic planning framework
- Programme management lifecycle
- Types of programmes
- Programme management principles
- Programme management products
- Programme Management Business Case

What is ROAMEF?

The ROAMEF framework

Rationale

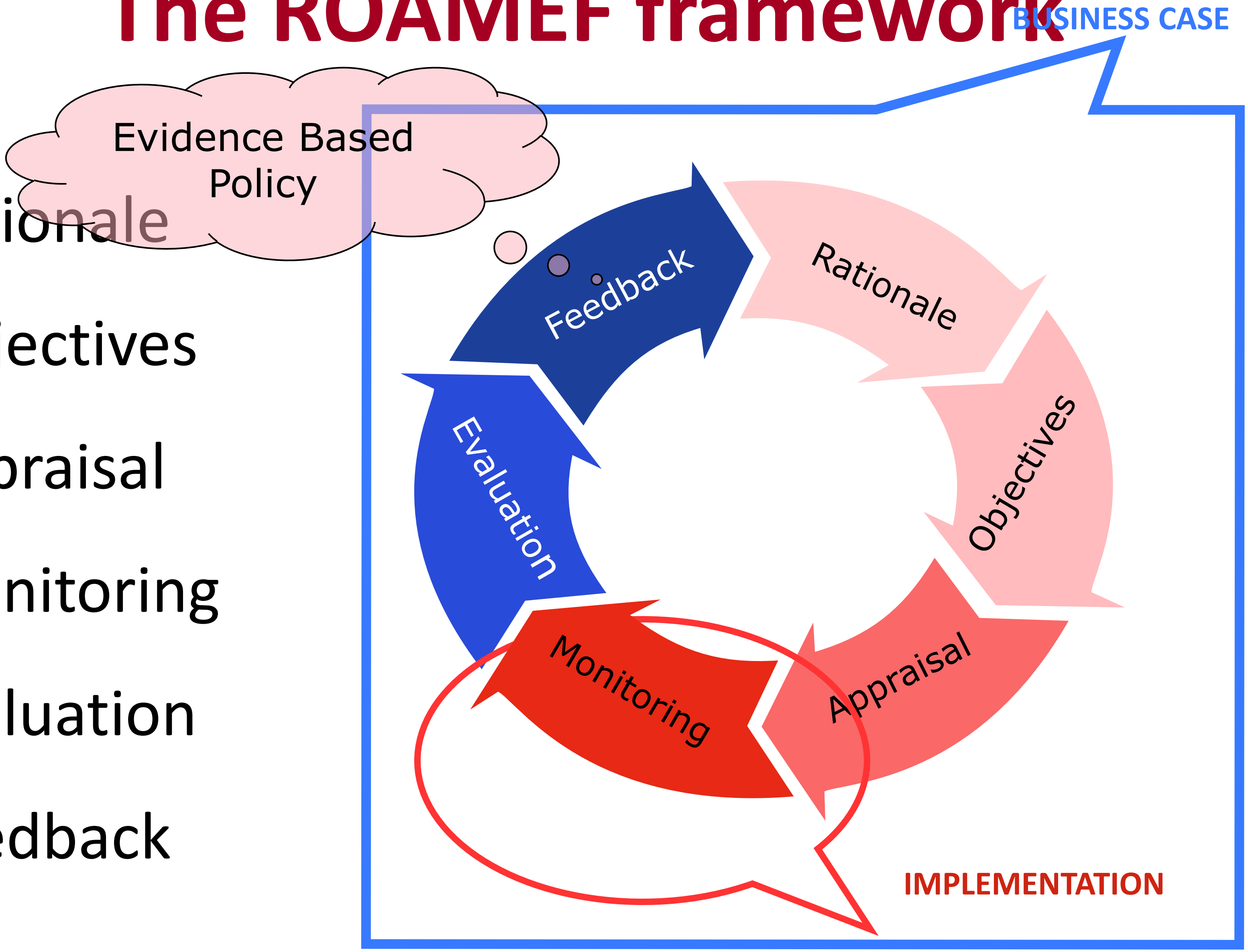
Objectives

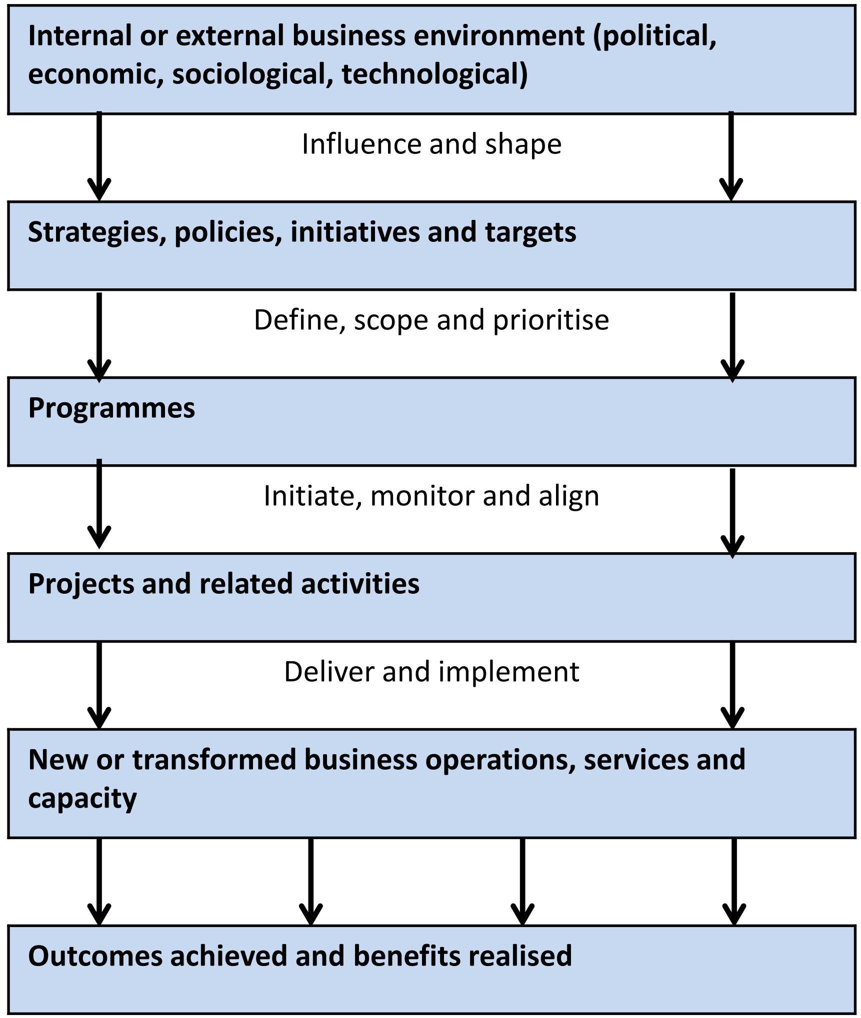
Appraisal

Monitoring

Evaluation

Feedback

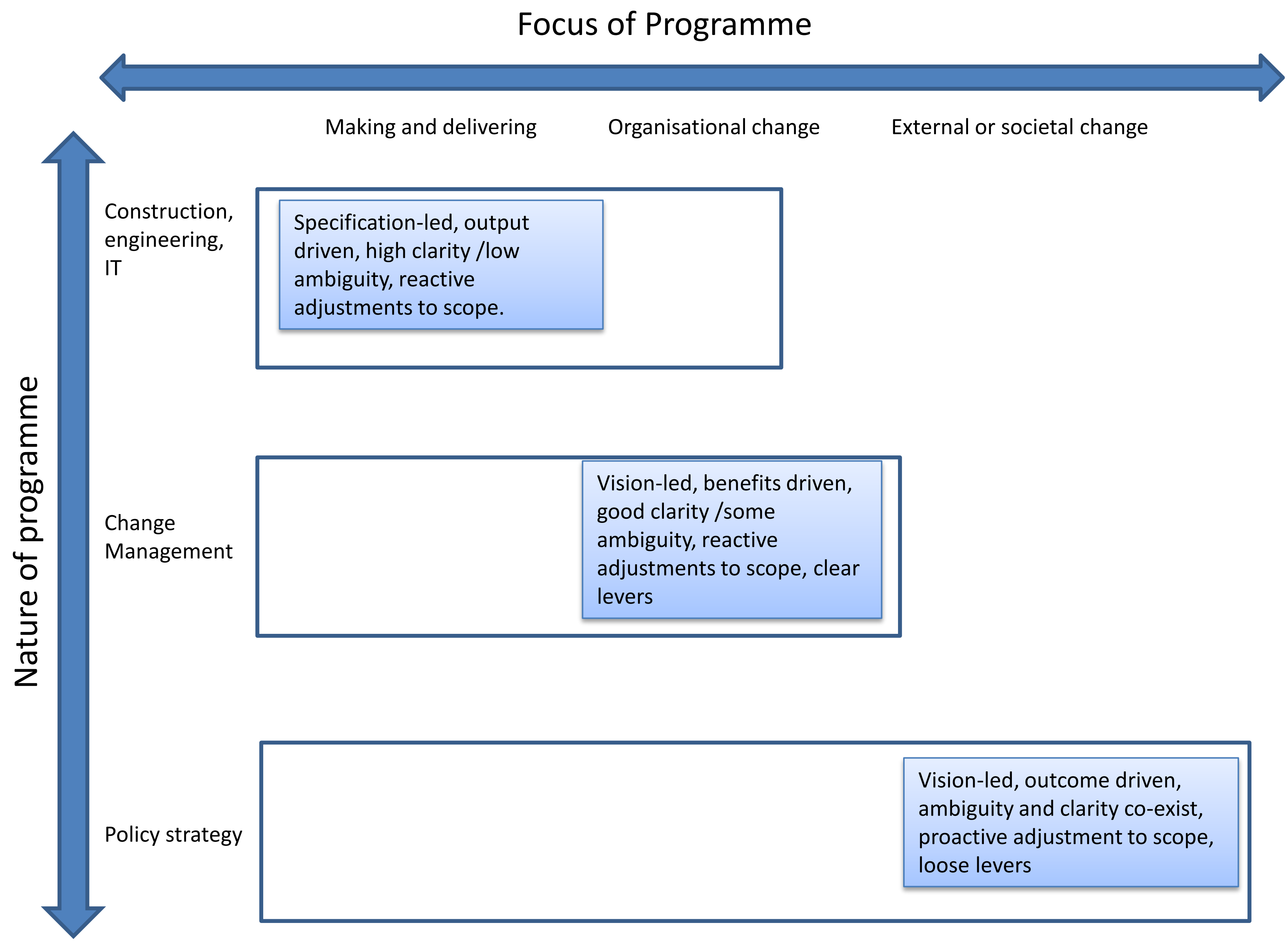




Internal or external business environment (political, economic, sociological, technological)
Influence and shape
Strategies, policies, initiatives and targets
Define, scope and prioritise
Programmes
Initiate, monitor and align
Projects and related activities
Deliver and implement
New or transformed business operations, services and capacity
Outcomes achieved and benefits realised

Programme Management MSP Lifecycle

- Identifying a programme
- Defining a programme
- Governing a programme
- Managing a portfolio
- Managing benefits
- Closing a programme


Focus of Programme
Making and delivering
Organisational change
External or societal change
Nature of programme
Construction, engineering, IT
Specification-led, output driven, high clarity /low ambiguity, reactive adjustments to scope.
Change Management
Vision-led, benefits driven, good clarity /some ambiguity, reactive adjustments to scope, clear levers
Policy strategy
Vision-led, outcome driven, ambiguity and clarity co-exist, proactive adjustment to scope, loose levers

Programme Management Principles

- Managing the Change Process
- Organisation and leadership
- Benefits management
- Stakeholder management & communications
- Risk management
- Programme Planning & control
- **Business case management**
- Quality management

Some MSP Products

- Programme Mandate
- Programme Brief
- Vision Statement
- Blue print
- **<u>Prog. Business Case</u>**
- Project portfolio
- Risk Management
- Programme Plan
- Benefits realisation plan

- Trigger and context
- Outline concept
- Better future
- Feasible future state
- **<u>Evidence base</u>**
- Required Outputs
- Managing “Reality”
- Delivery schedule
- Delivering outcomes

Programme Business Case

- “There may be different options for achieving target improvements or changes in business operations, in which case these should be explored in terms of timing, content, risk and benefits”

- “The business case is developed by iteration through stages of formulation and analysis”.

Programme Business Case

- “In defining a programme, the business case should be developed in tandem with early iterations of the blue print, programme plan and benefits realisation plan – the business case is an aggregation of information from these and other sources”.

- “Developing the business case alongside the blue print enables the programme to select the most cost effective combination of projects.....”

Five Case Model

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

- Programme fit & case for change
- Optimum choice of projects & critical path
- Procurement & commercial strategy
- Funding & affordability
- Governance and delivery arrangements

Strategic Case

- Strategic fit
- Case for change

- Alignment with other programmes
- SMART Programme Investment objectives
- Existing arrangements
- Business needs
- Potential scope
- Programme Benefits & Risks
- Programme Constraints & dependencies

Economic Case

- Long list of options
- Short list of options
- Preferred option

- Programme options:
  - Scoping
  - Solution
  - Delivery
  - Implementation
  - Funding
- CBA & MCA
- Net Present Value
- Sensitivity analysis
- Best public value

Commercial Case

- Procurement strategy
  - Cross cutting
  - Collaborative
  - Economies of scale
  - Use of frameworks
- Required services
- Suppliers' implementation
- Potential risk sharing
- Payment mechanisms
- Key contracts
- Outputs
- Market
- Public and private
- Charging & pricing
- Standard or "new"

Financial Case

- Capital & revenue consequences
- Sources of funding
- Financial benefits (CRB)
- Income & Expenditure
- Balance sheet treatment

- Whole life costs (financial appraisal)
- Who?
- What?
- Impact?
- Whose?

Management Case

- Programme arrangements
- Programme plan
- RPA assessment
- Change management
- Specialist advisers
- Benefits realisation
- Risk management
- Contingency plan

- Roles, responsibilities, governance & reporting
- Delivery
- VH,H,M,L
- Plan
- Who?
- Plan/register
- Plan/register
- Plan B

The Options Framework

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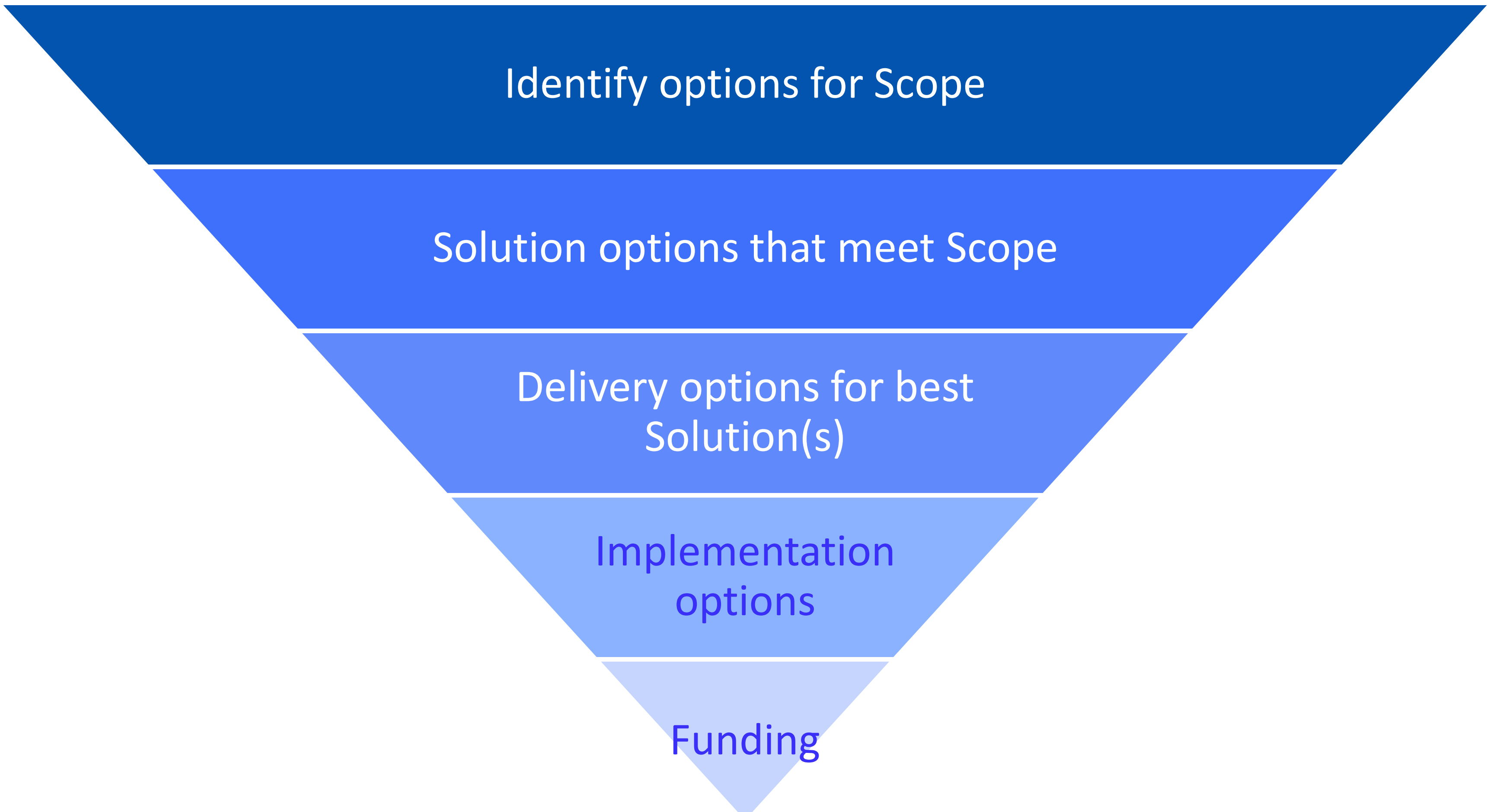
Dimensions:

- Service Scope → coverage
- Service Solution → infrastructure and spend
- Service Delivery → service provider
- Implementation → phasing – tranches
  modular - projects

  Funding (£) → sourcing

Identifying the Preferred Way Forward
The Options Filter



MSP Review Criteria

- Is the programme (still) affordable – is there sufficient funding?
- Is the outcome (still) achievable – is there a realistic assessment of the organisation’s ability to cope with the scale of change required?
- Does the programme (still) demonstrate value for money – are the benefits and cost of realising them in the right balance?
- Have the options been considered – is the programme’s portfolio (still) the appropriate, or optimum, way of achieving the desired outcome(s) – the critical path for deliver of projects?

Conclusions & recommendations

- Adopt ROAMEF and make use of guidance
- Carefully appraise your choice of programmes & projects and critical path
- Adopt best practice - MSP and Gateway 0's
- Streamline the process through the use of programme business cases
- Understand return on spend?
- Undertake post evaluation (Gate 5)

Case Study Fictional Example

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The Options Framework for long-listing and the Options Filter for selection of the shortlist

- The small country of Bangalo has 4 principal cities where economic activity is focused
- Workers travel into the cities each day
- City A is the largest and economically most significant, followed by cities B, C and D respectively
- The Ministry has developed a transport strategy to improve the road network between these cities

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Spending Objectives

- To facilitate economic growth by:
  - reducing travel time between the principal cities of the country (A, B, C and D) by 20% by 2018
  - Reducing congestion and increasing the capacity of road network
  - Reducing the cost of travel to business and the public

Status quo

- Very poor quality roads
- Low capacity
- Very congested
- Long journey times
- Flow of workforce into commercial centres severely limited

Programme	Do minimum	Intermediate	Do maximum
Scope	Link up city A with city B 200km	Link up city A with city B and city C 300km	Link up city A with city B, city C and City D 400km
Service Solution	Refurbish existing	Refurbish existing + new route	Completely new route
Service Delivery	Local contractor	National contractor	International contractor
Implem-entation	Phased - 3 years	Phased - 2 years Projects A & B	'big bang' - 1 year
Funding	capital	Mixed economy	Private finance (PPP)

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