



UK Shared Prosperity Fund

Business Case

Guidance

v1.1

Delivered by



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Introduction

Business cases should be prepared and appraised in accordance with HM Treasury Green Book guidance and by applying the five 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 to strategic objectives;
- 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 analysis;
- 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 goodgrowth@cornwall.gov.uk if you require any further clarification.