



Business Services
Organisation

BSO

Business Case Development and Approval Process

April 2025



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1.0 Introduction & Background

In Northern Ireland, the Department of Finance (DoF) requires the principles of economic appraisal to be applied, with appropriate and proportionate effort, to **ALL** decisions and proposals for spending or saving public money and any decisions/proposals involving changes in the use of public resources.

Business cases are a tool for achieving value for money and support the expenditure approval decision making process. The approval of the case represents agreement that there is a business need, the evaluation is reasonable and represents value for money.

All expenditure proposals and decisions, must be appraised and evaluated with effort that is appropriate and proportionate to the resources involved.

A review of the Expenditure Approval & Business Case Processes was carried out in 2019 and this review recommended that Northern Ireland should adopt the HM Treasury best practice approach to the development of business cases, known as the “**Five Case Model**”. This approach has been used to update the Northern Ireland Guidance which is now referred to as **Better Business Cases NI (previously Northern Ireland Guide to Expenditure Appraisal & Evaluation (NIGEAE))**.

On 15 May 2024, the Department of Health issued Circular HSC (F) 10-2024. The circular highlights the update to the Department of Health (DOH) user guide 2024 to Better Business Case NI and the use of the five-case model approach to expenditure decisions. The definitive source of guidance is the DoF Better Business Cases NI website:

[DoH Better Business Cases NI User Guide and Approval Procedures | Department of Health \(health-ni.gov.uk\)](https://www.health-ni.gov.uk/better-business-cases-ni-user-guide-and-approval-procedures)

Appraisal is essential to ensuring that expenditure proposals are fully considered from the emergence of the need for the project through to its implementation and subsequent post-project evaluation. The business case process will help define problems and find the solutions which offer the best value for money.

Circular HSC (F) 10/2024 highlights the following:

- *Best practice recommendations to ensure that business cases and Post Project Evaluations comply with Better Business Cases NI (BBC NI).*
- *The requirements to apply the principles of appraisal with proportionate effort to all expenditure decisions, including new contracts, contract extensions and contract renewals.*
- *The approvals process for expenditure decisions in excess of delegated limits, including seeking input from relevant advisors under the DoH assurance framework and the completion of the assurance record.*
- *The test drilling of business cases for those expenditure decisions below delegated limits.*

The need for a business case will require support from the Lead Director prior to the investment of any resources to progress the work involved.

Once the business case has been completed and signed off by the preparer and lead Director, it will proceed through the appropriate approval process which, depending on the type and level of funding required, will involve internal approvals at ELT or may involve external approvals by DoH. Where this is the case, engagement with DoH should be at as early a stage as possible. Ultimately, it is the responsibility of the Lead Director to ensure these processes are adhered to and necessary approvals attained at every stage.

The following provides a brief overview of current guidance on business case development and approval and details the processes in place currently within the Business Services Organisation to comply with business case and post project evaluation (PPE) requirements.

2.0 Capital Business Cases

The Business Services Organisation is not provided with a capital allocation and therefore has to bid for and as a result, prepare business cases to DHCNI/DoH for all capital expenditure decisions. Any revenue business cases which include capital elements should be referred to finance for advice and input as required. This document does not address capital business cases.

3.0 Revenue Business Cases

BSO's expenditure is fully delegated by DoH meaning that BSO do not need to seek approval from DoH for decisions relating to expenditure within the budget limits, however if revenue funding for a new area of business or change in services is being sought then DoH or BSO customers should be engaged from the outset. However, it should be noted that approval needs to be sought from DoH for all accommodation and external consultancy expenditure.

Business Cases should be prepared in the appropriate template for the size / likely cost of the project. Sample templates are provided in the appendices. While there are monetary guidelines in relation to the template which should be used this should be considered along side complexity, nature of expenditure and risk. Additional DoH guidance in relation to proportionate effort is included at Appendix B. The majority of BSO internal revenue Business cases will be minor or moderate. There is a major template for projects over £2m which is the full Five Case Model and is available within the DoH guidance.

The BSO Board sign off the BSO budget annually in May and this gives permission to spend within the agreed budgeted limits for individual expenditure lines for each directorate. Generally, expenditure is undertaken using contracted HSC suppliers which ensures best value for money however on occasions a DAC will be required to obtain permission for off contract expenditure in particular circumstances. In line with current process DAC approval must be in place for all expenditure which is anticipated to exceed £10k

BSO ELT require Business Cases to be completed for all expenditure which is outside of agreed budget lines and exceeds **£30k**. Usually this expenditure relates to the use of corporate slippage and proposals will be put forward to ELT for consideration and approval in advance of the completion of a business case however it is expected that a Business Case will then be completed and reviewed and final approval given by ELT in advance of the completion of any agreed expenditure.

The majority of these Business Cases will relate to NON-PAY expenditure though some may include some element of PAY expenditure. BSO have a robust scrutiny process in place in relation to PAY expenditure and approvals are required through the HR-Finance clinic before recommendation to ELT for final sign off. Where slippage is used to cover PAY expenditure a separate business case is not required if scrutiny approvals have been sought or a paper prepared for ELT to set out the rationale for additional resource requirements e.g. service pressure requiring extra temporary resource. This is considered to be an appropriate Business Case for this type of expenditure.

All directorates should engage with BSO Finance in the preparation of Business Cases and all completed Business Cases should be sent to ELT for approval and sign off by an ELT member. Equality implications should be considered as part of the ELT submission process. After final sign-off a copy of the business case should be retained by the Directorate lead and also sent to finance. It is the responsibility of the preparer to ensure all necessary signatures have been completed on the final document.

Business Case Register

Finance will maintain a Business Case Register (example at Appendix A) and will add each new Business Case to the register on receipt of completed and fully signed off Business Cases. All completed, and approved Business Cases will be detailed on the register as required by the Test Drill process in preparation for submission to DoH. Finance will also periodically write to all budget holders to ensure the register is complete and request any additions which may not yet have been sent to finance.

The Business Case Register will be shared with the BDC annually to note along with any outcomes from the test drill process.

4.0 Post Project Evaluations (PPEs)

A PPE is required to be completed for all business cases and the required timing of this should be detailed in the Business Case and logged on the BSO Business Case Register. Once Business Cases have been provided to finance for inclusion on the Register, Finance will review on a quarterly basis and issue a reminder to directorates who have outstanding PPEs.

It is the responsibility of the Lead Business Case preparer in each Directorate to ensure all required PPEs are completed on a timely basis.

These should also be signed off in line with the guidance and submitted to ELT for review, approval and consideration of any relevant learning which may have been identified through the project.

5.0 Test Drill

The DoH completes a test drill exercise annually requiring HSC organisations to provide a return detailing all business cases and PPEs which have been completed within each organisation during each financial year.

The template for the Business Case / PPE Register is attached at Appendix A for information.

Finance will write to all budget holders at intervals throughout the financial year requesting completion of this Business Case register and will then submit to DoH as required.

This Register should be a complete register of all Business Cases and PPEs completed in BSO during the relevant time period and each organisation is required to submit a declaration to confirm the completeness of this record before the final results of the test drill are issued.

The DoH will select a sample of Business Cases for review following submission of the register.

BSO ELT will receive correspondence from DoH detailing the out-workings of the Test Drill exercise for future learning in respect of the preparation of Business Cases and PPEs.

6.0 Summary

The key points to note are as follows:

- Business Cases to be completed for all revenue expenditure decisions outside of normal budgets and which exceed £30k
- The appropriate template should be used in line with guidelines around nature and level of expenditure and complexity. The majority of BSO internal Business Cases will be minor or moderate.
- Directorates to ensure final Business Case has the appropriate approvals and final sign off by an ELT member.
- Copies of final approved Business Cases to be sent to Finance
- Budget holders are responsible for the preparation of all PPEs in line with the timeframes set out in the Business Case.
- Budget holders to confirm accuracy of the Business Case Register and add any new Business cases and PPEs as appropriate



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Appendix C: Business Case Template – Minor (indicative expenditure up to £100k)



BSO Business Case
Pro Forma Minor up

Appendix D: Business Case Template – Moderate (indicative expenditure £100k to £2m)



BSO Business Case
Pro Forma Moderate