High-level business case template and guidance

Corporate services productivity programme

July 2018
We support providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.
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Introduction

This template provides guidance on the structure of a high-level business case to support potential changes to your trust’s corporate services: for example, redesign of:

- multiple corporate service functions (across a number of trusts)
- a single corporate service function
- specific sub-functions within a corporate service function.

It is part of a toolkit of ‘how-to’ guides and templates to help NHS providers implement changes to corporate services and to enable the NHS to share best practice. We expect providers’ executive and project teams to use the toolkit based on their local needs.

Methods of delivering corporate services in the NHS have changed little in the last 20 years compared to other sectors. This limited modernisation coupled with the variation in delivery methods, and therefore outcomes, contributed to NHS provider trusts spending £4 billion on corporate services in 2016/17.

Lord Carter’s review, *Operational productivity and performance in English NHS acute hospitals: Unwarranted variations*, published in 2016, investigated whether the NHS gets the best value (defined as the product of quality of care and the efficiency with which it is delivered) from its annual budget. It concluded that the NHS could save £5 billion a year if it addressed the significant and unwarranted costs and clinical practice variations.

The report recommended that trusts should rationalise their corporate functions to use resources in the most cost-effective manner; the Secretary of State for Health accepted all the report’s recommendations in March 2016.

From talking to function leadership groups (eg Future Focused Finance), trust directors and heads of corporate services functions, we found they agree that the way corporate services are delivered needs to change to benefit from modernisation.
They recognise that this means taking advantage of available economies of scope and scale. Most are asking for the direction and future operating model to be carefully guided on their behalf and for the system-wide obstacles to be removed centrally. This gives them the opportunity to deliver and receive quality services in line with national expectations and direction.

A collaborative delivery model has inherent challenges for trusts, which include forming the desired operating model and the governance to manage it. These changes need to happen at a time of constraints on capital and internal resources. We have designed this toolkit to help.

We compiled this template using subject matter expertise and feedback from trusts that have been through the process. We will update it regularly to reflect new information.

This template covers:

- a summary of the key information required for trusts to determine whether they should invest in exploring and further analysing a preferred option or way forward in relation to the potential changes to its corporate service(s)
- content and possible areas to cover in each section.

You are welcome to adapt this template.

Please note that most of the detail in this template will be provided by summaries of other documents that support the potential changes to your trust’s corporate services. We have therefore highlighted in the template where the suggested content is a summary of another document. For example, information on the cost-benefit of your preferred option should be taken from the full cost–benefit analysis of all the options you considered, and underpinned by a set of financial assumptions.

**How the template supports the redesign process**

The flow diagram below shows the main steps in the redesign process and where the high-level business case template supports this by bringing together the relevant information.
High-level business case template

1. Identification of baseline and delivery options to be considered

Summary information for template [Section 2]:
- Agreed vision and design principles for corporate service(s)
- Strategic context and drivers for change
- Delivery options to be considered for corporate service(s) (e.g. retain in house, shared service etc)

Supporting documentation:
- Case for change
- Baseline position

2. Evaluation of delivery options and high-level design

Summary information for template [Sections 3 and 4]:
- Key features of preferred model [Section 3]
- Evaluation of delivery options explored – summary [Section 3]
- Overview of each option explored – further detail [Section 3]
- Service model detail – high-level design of preferred model [Section 4]

Supporting documentation:
- Assumptions on which delivery options have been modelled (in terms of cost and benefits)
- Cost benefit analysis of all options
- Financial model for preferred option

3. Detailed design and planning for implementation

- Details of interim model (if this is required in order to achieve the end model) [Appendix 3]
- Project roadmap for delivery of preferred model [Appendix 4]
- High-level transition plan [Appendix 4]
- Complexities around delivering preferred model (e.g. risks and dependencies) [Appendix 4]
Additional sections are provided in the appendices for trusts that are further along the process. For example, if trusts already have a consensus on the preferred model or way forward for their corporate service(s), Section 4 of the template gives headings that help set out the future design at a high level. Similarly, if trusts have agreed a future design and are already planning for implementation, Appendix 4 gives templates for a project roadmap and high-level transition plan.

**How the template is structured**

Each section has a note which highlights the likely areas to be covered. The guidance is only an indication of what you might need to include as the amount of information and exact detail you provide will depend on the complexity of the potential changes to your trust’s corporate services.

We have also indicated in the guidance if the suggested content is a summary of another document.

Headings are suggested for each section, with a grey commentary box listing the further information to be provided (as required) to support the main content of the section.

For example, Section 2 sets out the vision, strategic objectives and design principles for your corporate services redesign project. The grey commentary box allows you to add a summary of the strategic context and drivers for the changes that reinforces your trust’s vision for corporate services, whether the focus is multiple corporate functions, a single corporate service function or specific sub-functions within a corporate function.

Once you have completed the template, all guidance notes should be removed.
1. Executive summary

Guidance for completing Section 1 – Executive summary

This section should be a one-page summary of the high-level business case that could cover:

- your trust’s vision for corporate services, whether it focuses on multiple corporate service functions, a single corporate service function or specific sub-functions within a corporate function, and how the proposed service model achieves this
- high-level benefits of the proposed service model, including summary table of year-by-year costs, benefits and net cost/benefit
- brief description of proposed service model
- alternative delivery options considered
- key steps in project roadmap
- top risks to delivering end-state service model.

1.1. High-level benefits

High-level benefits of proposed service model including summary table of year-by-year costs, benefits and net cost–benefit.
1.2. Proposed service model

<Brief description of proposed service model.>

1.3. Alternative delivery options considered

1.4. Project roadmap

<Key steps in project roadmap.>

1.5. Risk

<Top risks to delivering end-state service model.>
2. Vision for corporate services

Guidance for completing Section 2 – Vision for corporate services

Section 2 should set out:

- your trust’s **vision for corporate services**, whether it focuses on multiple corporate functions, a single corporate service function or specific sub-functions within a corporate function
- the **strategic objectives** that define the reasons for the change(s) and therefore the purpose of your redesign project
- the agreed **design principles** that shape the vision and options for redesigning your trust’s corporate services
- how the **delivery options** to be considered were identified.

The vision, strategic objectives and design principles should be supported by commentary summarising the strategic context for the change (eg how it fits in with national, sustainability and transformation partnership (STP), local and/or organisation business strategies) and what is driving it (eg business needs, existing difficulties, need for improvement).

The suggested content for this section may be taken from the following supporting documents/information:

- case for change
- baseline position and data.

The vision for your trust’s corporate services, whether it focuses on multiple corporate functions, a single corporate service function or specific sub-functions within a corporate function.
2.1. Strategic objectives

<These are the set of objectives that define the reasons for the change(s) and therefore the purpose of your redesign project.>

2.2. Design principles

<These are the agreed design principles that shape the vision and options for redesigning your trust's corporate services.>

Commentary

<Summary of the strategic context (eg at national, STP and local level) and drivers for the change that reinforce your vision for corporate services (eg drive greater efficiency, increase consistency, increase resilience, develop and retain workforce).>

2.3. Delivery options identified

<This section should show how the delivery options to be considered were identified. For a single corporate function, you could do this by showing which of the delivery options considered for each of the services under review within the corporate function were a good fit/pREFERRED, which were suboptimal/unlikely and which were not an option (see Example 1 below). Alternatively, you could show how the different options meet the design principles agreed for the redesign of your trust’s corporate services (see Example 2 below).>
### Example 1: Single corporate service function

<table>
<thead>
<tr>
<th>Service sub-function</th>
<th>Retain in house</th>
<th>Outsource</th>
<th>Share with other trusts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service 1</td>
<td>Good fit/preferred</td>
<td>Not an option</td>
<td>Suboptimal/unlikely</td>
</tr>
<tr>
<td>Service 2</td>
<td>Not an option</td>
<td>Suboptimal/unlikely</td>
<td>Good fit/preferred</td>
</tr>
<tr>
<td>Service 3</td>
<td>Not an option</td>
<td>Suboptimal/unlikely</td>
<td>Good fit/preferred</td>
</tr>
</tbody>
</table>

### Example 2: Corporate services across multiple trusts

<table>
<thead>
<tr>
<th>Design principle</th>
<th>Retain in house</th>
<th>Outsource</th>
<th>Share with other trusts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase consistency of corporate services across all trusts</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Develop workforce and retain talent</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Maximise investment in technology and estates</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Option is affordable and takes no longer than X years to achieve</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

### Commentary

<Summary of how the delivery options to be considered were identified (eg through a review of core services provided) and compared (eg by cost, benefits and risks as well as other factors, such as current performance, processes and systems used).>
3. The preferred model

Guidance for completing Section 3 – The preferred model

Section 3 should provide an overview of the preferred model, covering:

- its key features
- how it meets the strategic objectives and design principles to achieve your trust’s vision for corporate services
- the key reasons the model is preferred to the alternatives.

Further detail should be given on the evaluation of the different delivery options considered, reinforcing how this resulted in the emergence of the preferred model to meet the strategic objectives detailed in Section 2. This should cover:

- **costs**, in terms of the overall cost per delivery option including funding required, expected project costs
- **benefits**, in terms of cashable (expected financial savings), non-cashable benefits such as any savings in staff time and quality, such as improved accuracy of processes, better ways of working for staff
- **risks** identified for each delivery option, including total risk score, mitigation plans and any indication of value
- **key changes** within each delivery option outlined.

The suggested content for this section may be taken from the following supporting documents/information:

- assumptions on which delivery options have been modelled (in terms of cost and benefits)
- cost–benefit analysis for all options considered (eg spreadsheet)
- financial model for preferred model (eg spreadsheet)
3.1. Key features

<Description or key features (and diagram?) of preferred model>

3.1.1. Key features of preferred model

• ...

• ...

• ...

• ...

• ...

3.1.2. How preferred model meets the strategic objectives and design principles for corporate services

• ...

• ...

• ...

• ...

• ...

3.1.3. Key reasons for the model is preferred compared to the alternatives considered

• ...

• ...

• ...

• ...

• ...

3.2. Evaluation of delivery options (summary)

<Further detail on the evaluation of the different delivery options considered, to reinforce how this resulted in the emergence of the preferred model to meet the strategic objectives detailed in Section 2.1. This should summarise the costs, benefits, risks and key changes involved for each delivery option.>
<table>
<thead>
<tr>
<th>Evaluation category</th>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;overall costs per delivery option&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;in terms of cashable, non-cashable benefits and quality&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;key risks identified including total risk score and any indication of value&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;within each option&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Commentary**

<Supporting information on the evaluation of the different delivery options (eg the key assumptions made in relation to the evaluation of costs, benefits and risks; costs in terms of how they were derived; the risk assessment undertaken to identify the risks for each delivery option, etc.).>

**3.3. Overview of preferred/delivery option**

<An overview of each delivery option considered (including the preferred model) could be provided to support the summary of the evaluation (Section 3.2), which goes into more detail on the costs, benefits, risks and key changes involved for each delivery option. This section could be reproduced for each delivery option.>
3.3.1. Benefits

<Cash-releasing, non cash-releasing, quality, eg:>

- implementation of X option is expected to deliver annual cost savings of £Y through outsourcing of transactional activities, headcount reduction, etc
- savings in staff time through streamlining of processes
- improved accuracy of processes through more automated activity
- improved opportunities for workforce specialisation and development through working on shared teams and across sites.>

3.3.2. Costs

<Funding required for project and what this will cover; impact of moving to interim model if required, eg:>

- total revenue funding to support the programme is £X (breakdown capital funding by funds, eg Digital fund, King’s fund)
- resources for implementation will cost £Y
- £Z has been allowed for any finance, procurement and legal support required
- interim model to be implemented within Year 1 to have a ‘minimal impact’ on the total cost of the project/for project to break even
- define funding: identify where the funding streams come from
- overall costs should also include estimated additional business as usual costs.>

<Summary table of cost and benefit values for this option for the duration of the project showing the net cost (-saving) and cumulative position, taken from the full cost–benefit analysis.>
Please refer to the assumptions in Appendix A2 that underpin this analysis.

### 3.3.3. Key changes

<Outline the key changes with this option, eg:

- creating a shared service capability which acts as a single point-of-access
to all finance function services
- consolidation of occupational health, recruitment, equality, diversity and
  inclusion, and role analysis into a shared service.>

### 3.3.4. Risks

<Key risks identified with this option – the total risk score could also be included,
eg:

- option provides maximum level of savings but has the highest
  implementation risk.>
4. Service model detail

Guidance to completing Section 4 – Service model detail

This section should detail the end-state service model and cover:

- **service model** – diagram of the end-state service model, its key components and how these will work together
- **process view** – breakdown of the corporate function’s activities to show which components of the proposed service model will be undertaken by each activity
- **organisation chart** showing the high-level management structure for the service model, including a description of the proposed structure and how it will support the service model
- **key performance indicators (KPIs) and other performance measures** – an indicative list of KPIs as well as other performance measures required to support the specification of any service
- **systems** – initial considerations around systems for the service model and the opportunity/challenges these provide
- **resourcing (and locations)** – details of current staffing for the corporate function across locations (if relevant), the impact of the service model on headcount and the anticipated financial saving.
4.1. End-state service model

<Diagram of the end-state service model. Example provided below for a single corporate service function.>

![Diagram of the end-state service model]

**Commentary**

<Summary of the key components of the end-state service model and how these will work together.>

4.2. Process view of service model

<The process view of the service model should provide a greater breakdown of the corporate function’s activities to show which components of the proposed model will be undertaken by each activity. The template diagram below can be adapted and marked up accordingly. This section could be replicated if the redesign project involves multiple corporate functions.>
4. Service model detail

Corporate Service function

Sub-function 1: Activity 1.1, Activity 1.2, Activity 1.3
Sub-function 2: Activity 2.1, Activity 2.2
Sub-function 3: Activity 3.1, Activity 3.2
Sub-function 4: Activity 4.1, Activity 4.2, Activity 4.3
Sub-function 5: Activity 5.1
Sub-function 6: Activity 6.1, Activity 6.2
Sub-function 7: Activity 7.1, Activity 7.2, Activity 7.3

Key: Component A, Component B, Component C
Commentary

<Details of the process analysis carried out, noting any areas requiring further discussion or inconsistencies to be addressed. **Note:** The process hierarchy should be based on the NHS Improvement taxonomy for X corporate function with alignment to your trust’s local practice where necessary.>

4.3. Organisation chart

<The organisation chart showing the proposed high-level management structure for the service model should be included here.>

Commentary

<Description of the proposed management structure and how this will support the service model.>

4.4. Performance measures

<This section should set out an indicative list of KPIs as well as other performance measures that will be required to support the specification of any service. Please see example table below.>
<table>
<thead>
<tr>
<th>Function/sub-function</th>
<th>KPI or other measure</th>
<th>Target</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core payroll</td>
<td>Payroll to be processed within X days</td>
<td>95%</td>
<td>Efficiency of service</td>
</tr>
</tbody>
</table>

**Commentary**

<Set out the next steps for developing and agreeing a comprehensive list of KPIs, eg collecting baseline data to demonstrate improvements and highlight any current differences.>

### 4.5. Systems

<This section should set out any initial considerations around the systems used by the corporate service function and what challenges or opportunities these may have for the proposed end-state service model (eg what capital investment is required, the impact of standardisation, any efficiency gains that could be made, any renegotiation of contacts that would be required, etc?).>

**Commentary**

<This could set out the next steps on what further discussion, exploration or analysis is required around systems.>
4.6. Resourcing (and location if relevant)

<This section should provide details of current staffing for the corporate function (across locations if relevant), and describe the impact on headcount of the proposed end-state service model and the anticipated financial saving.>

Commentary

<Supporting information on the impact of the proposed end-state service model in terms of potential headcount reductions and financial saving. Set out the next steps for any further analysis required.>
# Appendices

>To include any supporting information as required (e.g. baseline data used for analysis of delivery options for corporate function).

<table>
<thead>
<tr>
<th>Section</th>
<th>Appendix</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Baseline position and data</td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>Modelling assumptions</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Interim model detail (if this is required before being able to move fully to the end model)</td>
<td></td>
</tr>
<tr>
<td>A4</td>
<td>Project roadmap and transition plan, and RACI Matrix</td>
<td></td>
</tr>
</tbody>
</table>
A1. Baseline position and data

**Guidance to completing Appendix 1 – Baseline position and data**

Baseline position and data should be detailed in this section.

**Useful resources**

Please refer to:

- *Considerations for creating a baseline position*
- *Baseline checklist example template*
A2. Modelling assumptions

Guidance to completing Appendix 2 – Modelling assumptions

Modelling assumptions should be detailed in this section.
A3. Interim model detail

Guidance to completing Appendix 3 – Interim model detail

If an interim service model is required before full transition to the end service model can be achieved, it should be detailed in this section. The structure of this section could follow a similar format to that of Section 4 (the end service model); that is:

• **interim service model** – diagram of interim service model, its key components and how these will work together

• **organisation chart** showing the high-level management structure for the interim service model, including a description of the proposed structure and how it will support the interim service model

• **systems** – details of system requirements for the interim service model such as any interim investment, any renegotiation of contracts as well as further analysis and planning required for the end service model

• **resourcing (and locations)** – details of current staffing for the corporate function across locations (if relevant), the impact on headcount of the interim state and its anticipated financial saving.
A4. Project roadmap

Guidance to completing Appendix 4 – Project roadmap and transition plan

Appendix 4 should set out:

- the **project roadmap** for the redesign project showing any required stages/phases
- a **high-level transition plan** for the initial stage/phase of the project (eg Year 1) showing the workstreams required to deliver the work and timeframe for each key workstream activity
- details of any risks or complexities around the project roadmap and high-level transition plan (eg any dependencies, work that has to be carried out in parallel).

A4.1. Project roadmap

This section should set out the project roadmap with any required stages/phases clearly defined.

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrate to interim model (if required)</td>
<td>Move towards end-state model</td>
<td>Exploit model</td>
<td>Continuous improvement</td>
</tr>
<tr>
<td>&lt;Key activity for year one to be added&gt;</td>
<td>&lt;Key activity for year one to be added&gt;</td>
<td>&lt;Key activity for year one to be added&gt;</td>
<td>&lt;Key activity for year one to be added&gt;</td>
</tr>
</tbody>
</table>

**Commentary**

<Summary of any risks or complexities around the project roadmap.>
## A4.2. High-level transition plan

Please provide a high-level transition plan for the initial stage/phase of the project (e.g., Year 1) showing the workstreams required to deliver the work and timeframe for each key workstream activity.

<table>
<thead>
<tr>
<th>Workstream 1</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
<td>J F M A M J J A S O N D</td>
</tr>
<tr>
<td>Activity 2</td>
<td></td>
</tr>
<tr>
<td>Activity 3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workstream 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
</tr>
<tr>
<td>Activity 2</td>
</tr>
<tr>
<td>Activity 3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workstream 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
</tr>
<tr>
<td>Activity 2</td>
</tr>
<tr>
<td>Activity 3</td>
</tr>
</tbody>
</table>

### Commentary

Further detail on the complexities of the transition plan (e.g., any dependencies, work that has to be carried out in parallel etc.).
A4.3. RACI matrix

Please complete the responsibility assignment matrix template (RACI) below by outlining collaborative roles and responsibilities.

Commentary

Identify stakeholders accountable for service change, stakeholders responsible for delivery, etc.
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