SCOTTISH CAPITAL

INVESTMENT MANUAL

Outline Business Case

* summary of stages

Executive Summary

* Summary of key decision points and outcomes.

# Strategic Case

* Provide summary of strategic case from IA, including any updates.
* Revisit and update details of current arrangements.
* Re-confirm case for change and suitability of investment objectives.
* Confirm that any changes to strategic case do not alter outcome of IA i.e. the preferred strategic / service solution.

# Economic Case

* Identify a long list and then a short-list of practical options for implementing the preferred strategic / service option identified at IA stage.
* Set out, and explain assumptions behind, the capital and revenue cost inputs used in the GEM model for each option.
* Prepare whole life NPV costs for each option.
* Carry out non-financial benefits appraisal for each option.
* Carry out a risk appraisal of each option.
* Carry out sensitivity analysis on the main assumptions behind the costs and benefits (scores and criteria weighting) to test how reactive the appraisal results are to changes in these assumptions.
* Review NPV/NPC per benefit point.
* Make decision on preferred implementation option and explain why.

# Commercial Case

* Set out the various procurement routes to be followed and prepare a procurement plan for each one (i.e. the approach to procurement & selection either carried out or to be done).
* Set out the scope of services, building works, and other works that will form part of the commercial arrangements.
* Prepare a risk allocation table for the main project.
* Set out the main principles behind the payment structure to be adopted for the project.
* Reference the main contract to be used, the key contractual arrangements to be followed, and their current status.
* Identify any personnel implications directly associated with the proposed contract e.g. transfer of undertakings, etc.

# Financial Case

* Prepare the financial model for the preferred option along with details of assumptions made and how calculated, plus summary information on the financial differences with other options.
* Prepare summary information on the capital and revenue impact of the preferred option.
* Provide a clear statement on the affordability of the project in revenue and capital terms, including details of how this has been assessed.
* Details of how any affordability gap has been, or will be, closed.
* Provide the ‘in principle’ written support for this project from stakeholders

# Management Case

* Provide details of the full project team, using the competency framework where appropriate. Also add recruitment needs to fill any gaps.
* Provide details of the following project plans:
	+ Project delivery plan.
	+ Operational / services change management plan.
	+ Facilities change management plan.
	+ Stakeholder engagement & communication plan.
* Update project benefits register and add benefits realisation plan (including adding a Community Benefits project objective).
* Review and update the project risk register, including adding any further construction related risks.
* Outline the commissioning arrangements being planned for the project.
* Outline the arrangements being planned for project monitoring and evaluation.