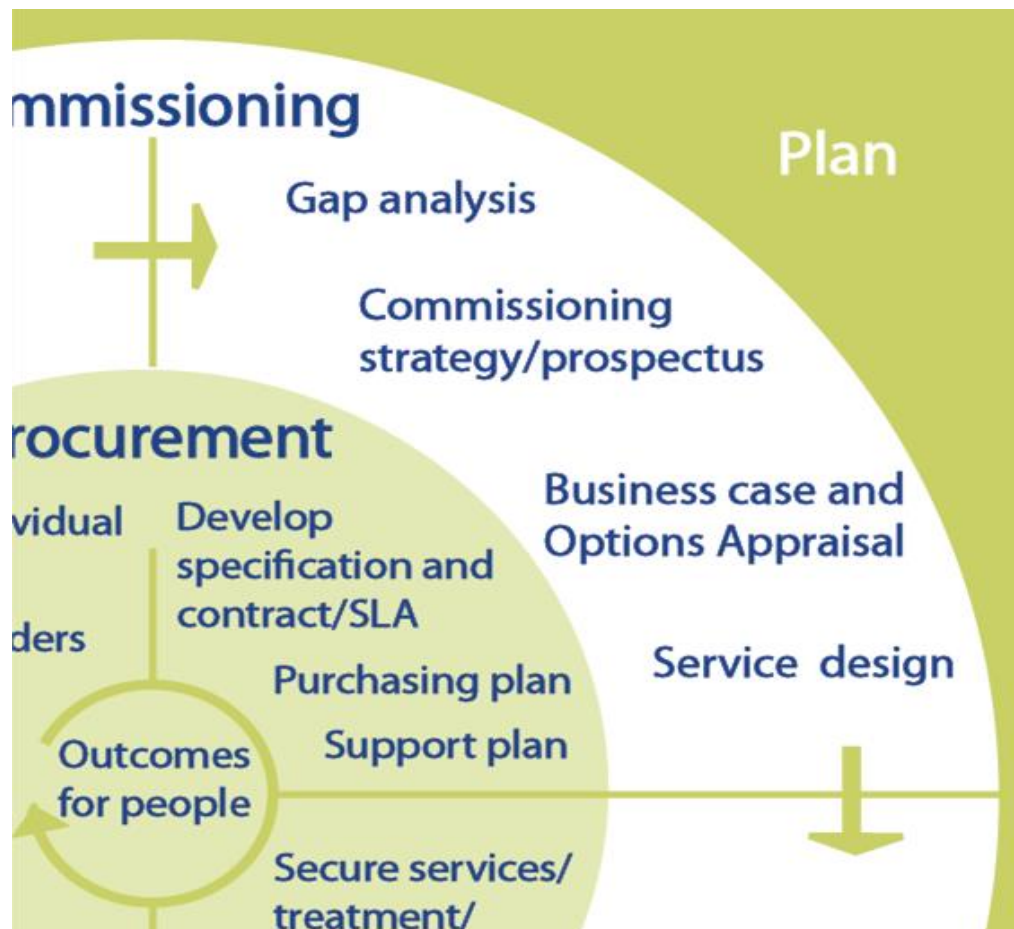


Planning and Options Appraisal



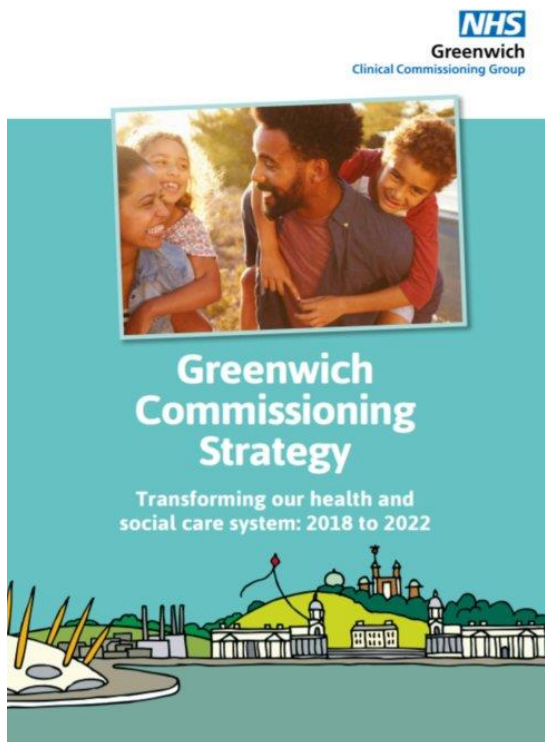
Commissioning activity product(s) might be...

- **Commissioning strategy**
- **Business case**
- **Options appraisal**
- **Risk assessment**
- **Equality Impact Assessment**
- **Market position statement (MPS)**
- **Others?**

What is a commissioning strategy?

It is a statement....

...of how you are going to effect change in the overall configuration of services across a market to meet the needs of the client group.



What is a Business Case?

“The business case provides justification for undertaking a project... its purpose is to obtain management commitment.”

(APM Body of Knowledge 5th edition)

Two key types of business case:

- **Outline Business Case (OBC)**
- **Full Business Case**

What is a Business Case?

Outline Business Case (OBC) ➡ Full Business Case

- sets out the preliminary thoughts regarding a proposed service
 - should contain the information needed to help the organisation make decisions regarding the adoption of the project
 - should state envisaged outcomes, benefits and potential risks associated with the proposal
- (Assoc of Colleges UK 2012)*
- a management tool, developed over time as a living document as a proposal develops
 - summarises research and analysis needed to support decision making in a transparent way and summarising objectives, the key features of implementation management and arrangements for evaluation

(NHSE 2013)

How do you use business cases?

- How are business cases used in your organisation?
- What are the key elements you would expect to see in a business case?

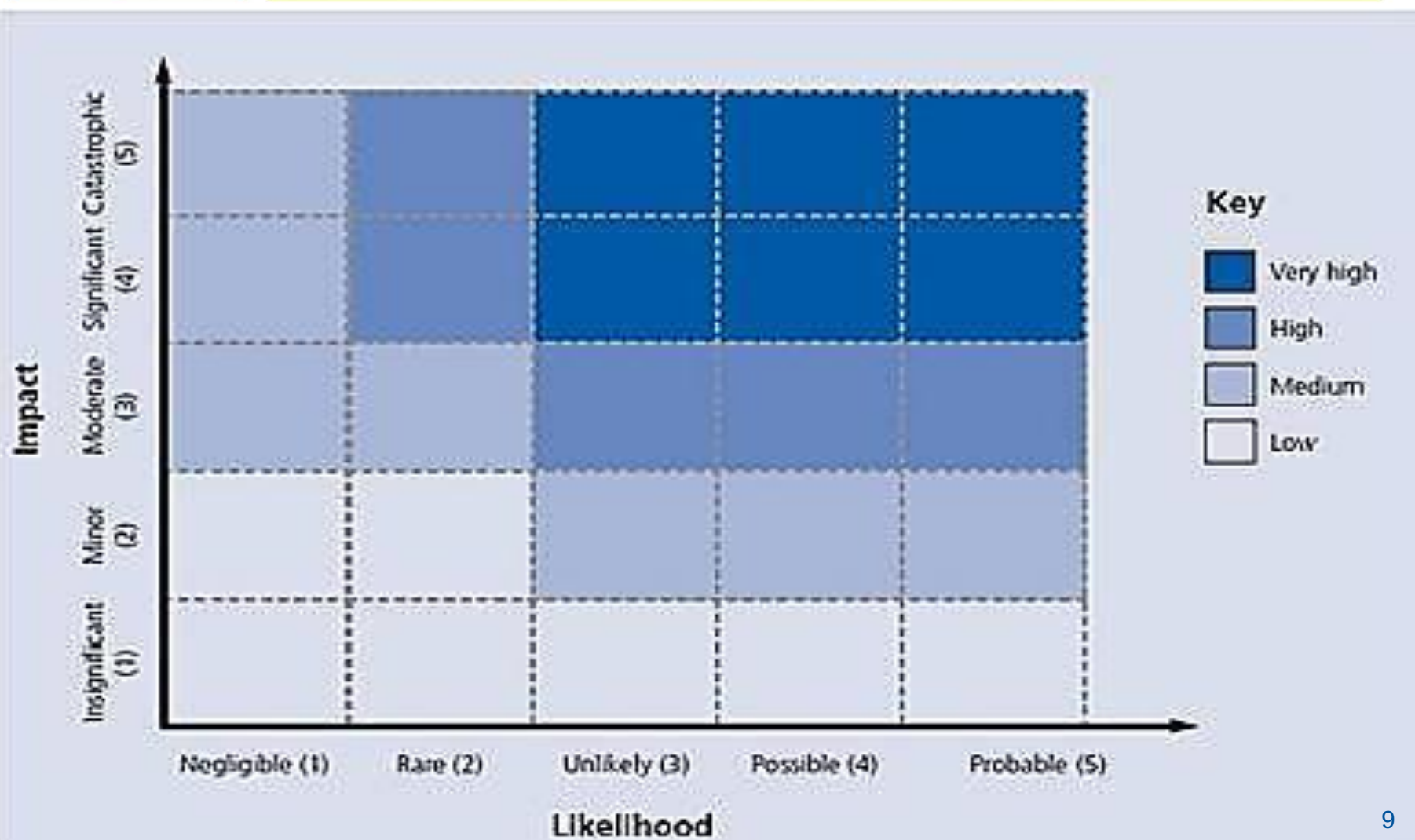
What is a risk assessment?



“A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking”.

Oxford English Dictionary

Manage risk



Equality Impact Assessments

- Requirement of Equality Act 2010
- Public authorities must have due regard to several equality considerations when exercising their functions
- Opportunity to ensure better decisions made on robust evidence
- Ensure decision-making includes consideration of actions that might help to avoid negative impacts on particular protected groups

Key questions to ask

- What is the effect on the provider?
- What is the impact on other services?
- How will this impact on children, young people, families, service users and carers, and to what extent?
- Will this effect the working relationship between the provider and the Council?
- Will this alter the current market place?
- What will be the impact of doing nothing?
- What would be the effect of doing this now v introducing a phased approach?

Options appraisal

“The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made.”

HM Government: Green Book

Options appraisal

An effective option appraisal will include an assessment of:

- **Project costs, benefits and risks;**
- **Whether the project benefits are worth the cost and the risk;**
- **The best option that will deliver the desired outcomes, at the right time, at an acceptable cost and level of risk;**
- **Whether there is adequate baseline information to allow a post-project evaluation to be carried out; and**
- **The future of the project.**

Options appraisal – tips

- **Ensure evidence-based and beware of bias**
- **Make a realistic appraisal of risks, benefits and costs**
- **Include reference to the financial implications of options.**
- **Where appropriate, use a recognised methodology e.g:**
 - **Cost benefit analysis (CBA)**
 - **Social Return on Investment (SROI)**
 - **Multi-criteria Analysis (MCA)**

Fitness for purpose checklist

- Is the business need clearly stated?
- Have the benefits been clearly identified?
- Is the reason for and benefits of the project consistent with the organisation's strategy?
- Is it clear what will define a successful outcome?
- Is it clear what the preferred option is and why?
- Where there is an external procurement is it clear what the sourcing option is?
- Is it clear how the funding will be put in place?
- Is it clear how the benefits will be realised?
- Are the risks faced by the project explicitly stated and are there plans to address them?

An outline business case...

- Consider your understanding of good practice in risk and equality impact assessment, and options appraisal
- What are most applicable to commissioning?
- Prepare to present a summary checklist to your colleagues



More information

- [HM Treasury Green Book](#)
- [Health and Social Care Information Centre](#)
- [Mersey Care NHS Trust](#)
- North West London [Integrated Care Pilot Business Case](#)
- A Practical Guide to Commissioning Services for Young People. Part 4: Business Case and Options Appraisal
- [IDeA Guidance Paper](#)