

Frequently asked questions and guidance for writing business cases

Following publication of [initial guidance](#) on 2 June 2015, Monitor, NHS England and the NHS Trust Development Authority are providing ‘frequently asked questions’ on consultancy spending controls/approvals and further guidance to assist trusts and clinical commissioning groups (CCGs) in writing their business cases.

The guidance has been developed from common themes the three organisations have identified in business cases submitted to date and is in two parts: ‘What to cover in a business case’ and ‘How to ensure your case is as well presented as possible’.

Frequently asked questions on consultancy spending controls/approvals

Questions applicable to all trusts and clinical commissioning groups

Question 1

Can you provide a definition of ‘consultancy’ to confirm areas of expenditure that are covered by the controls?

Answer

The guidance details that it is consultancy as defined in the ‘[DH Group Manual for Accounts 2014/15](#)’. (Consultancy is detailed in Chapter 4, Annex 5, pages 126–127.)

If the expenditure falls within these categories it is picked up by these controls. If there is any uncertainty with this definition it is advisable to liaise directly with your trust’s internal finance departments.

Expenditure currently excluded from the controls/approvals process includes:

- routine or ‘business as usual’ expenditure which doesn’t meet the definition of consultancy
- contracts accounted for as capital expenditure

- interim management and day rate contractors
- internal and external audit and local counter fraud services
- contracts with a total value (including expenses and irrecoverable VAT) below £50,000.

Question 2

Categories of consultancy in the 'DH Group Manual for Accounts' include legal services. Does the requirement to seek approval apply to employment law advice?

Answer

In many cases employment law advice may fall into the 'business as usual' category as detailed above. Such advice would not be included within consultancy expenditure or be part of the controls process.

Question 3

Is the current process applicable to framework agreements?

Answer

Yes. The current process does apply to framework agreements. All areas of relevant spend are required to follow the formal approvals process.

Question 4

The initial guidance asks for a post implementation report to be delivered following consultancy projects. Does this requirement apply only to consultancy procured on or after 2 June 2015?

Answer

The requirement for a post implementation report only formally applies to new contracts/extensions signed on or after 2 June 2015. However, it is considered good practice for the effectiveness of all consultancy work to be reviewed following implementation. Post implementation reports for earlier work would be welcomed, particularly where trusts/CCGs are aware of specific information or areas of learning that can help inform analysis and understanding of this area of spend at a national level.

Question 5

Do extensions or variations below £50,000 require approval?

Answer

Yes. Monitor, NHS England or the NHS Trust Development Authority should be notified of any extension or variation that results in expenditure exceeding the previously approved amount before that expenditure is committed. Whether an extension or variation requires a full business case will depend on its size and nature; smaller extensions may be subject to a lighter review process. Notification should be made using the same email address as for submitting a business case.

If an extension or variation results in a previously exempt case exceeding £50,000, a full business case will be required.

Question 6

Does this apply to extensions or variations where the original contract was signed before 2 June 2015?

Answer

Yes.

Question 7

The guidance details that interim management and day rate contractors are excluded at this time. Could you please confirm whether this also applies to individuals who are limited companies engaged for a period of time?

Answer

The guidance focuses on the activity undertaken by companies/individuals rather than on the invoicing arrangements. Interim management at this stage is excluded.

Question 8

My organisation is procuring two pieces of consultancy work that are above £50,000 in total but not individually. Should I submit a business case for the combined amount?

Answer

Whether contracts should be aggregated into a single business case or treated individually should be considered within the spirit of the controls/approvals process. Two pieces of work that are interdependent may need to be considered together, even if they are provided by different suppliers.

Factors to consider include:

- How was the case presented for approval in your internal business case?

- Do one or both pieces of work have standalone value or does the business case for each depend on the other?
- Were the two pieces of work procured together?

In the event of any doubt, contact Monitor, NHS England or the NHS Trust Development Authority and we will discuss your circumstances with you.

Question 9

My organisation is jointly procuring a piece of consultancy work with other CCGs/trusts. Do we each need to submit a business case?

Answer

Only one business case needs to be submitted. The lead CCG/trust procuring the work should submit a business case on behalf of all contracting parties after it has been through any joint and individual approvals processes.

Question 10

What is the turnaround time for a decision on cases for approval?

Answer

We will endeavour to turn around business cases as quickly as possible. It may take longer to consider business cases that are particularly complex or precedent setting. CCGs and trusts can assist the process by ensuring that business cases are clear, succinct and follow published guidance. This will reduce the need for queries and potential resubmission.

Question applicable to NHS foundation trusts/Monitor

Question 1

How can I expect to be involved in the approvals process after submitting my business case?

Answer

After your business case is submitted it will be reviewed by the foundation trust approvals team, with involvement from your relationship team as appropriate. Any feedback or queries will be discussed with you prior to the business case being considered by Monitor's Consultancy Approvals Panel.

You may also be asked to make the executive sponsor or another senior trust representative available by telephone to discuss the business case with the panel when they convene to discuss your proposal.

Further guidance for writing business cases

Section A: What to cover in a business case

We have identified seven questions business case authors must address when writing a business case. It is essential that the answers to these questions clearly come across from your case.

We have also highlighted the sections from the business case template where you should look to address these questions.

1. What is the necessity/importance of the work?

- It is vital that your business case makes it clear why the proposed consultancy support is needed. Identify the specific issues the proposed consultancy support will help to address rather than making general statements such as the size of an overall deficit.
- Explain how the proposed consultancy support will address the issues you have identified.
- If the proposed work is one stage of a larger solution, does it have standalone value or does it depend on other phases of the work?

Relevant business case sections: Project description, Assessment criteria – ‘Ambition to deliver something of value, importance and relevance’ (all questions) and ‘Timeframe of work’.

2. What are the specific outputs and deliverables you expect as a result of this consultancy support?

- Explain as precisely as you can what you expect the consultancy to provide during and at the end of the period of support. Don’t just state the general areas of work.
- If you are expecting a review or report to be produced, what form do you expect findings to take?

Relevant business case sections: Assessment criteria – ‘What outputs or specific deliverables are required, and how do they support the overall objectives?’ and ‘Clear scope’.

3. Why isn't this work being done in house, or by another NHS body?

- Do you lack the skills, experience or capacity to undertake this work within the organisation?
- Where another trust, Monitor, NHS England or the NHS Trust Development Authority provides similar support, have you discussed with them whether they are able to do so in your case?

Relevant business case sections: Assessment criteria – ‘Why do you need external resources to deliver these outputs or deliverables? What skills can or will be transferred to permanent trust staff?’ and ‘Capacity to implement findings/recommendations’.

4. Why have you chosen the selected supplier?

- What are the technical competences that will enable them to provide you with high quality support?
- What set them apart from other suppliers?
- How did they perform against your evaluation criteria? Use commentary rather than just scoring.
- Consider the individuals you will be working with as well as the organisation or ‘brand’.

Relevant business case sections: Procurement route – ‘Procurement method and value on price’.

5. How have you obtained value for money?

- Provide a breakdown of cost, for example by working days and day rates (split by seniority), by workstream and by product (as applicable).
- If work has been procured under a framework (eg ConsultancyONE), which lot has been used?
- Has a discount been negotiated to the ceiling rates set out in the framework?
- If a direct award has been made, how has this decision been justified, and how did you evaluate the price?
- Have you explored other solutions? For example, where a consultancy firm is providing both strategic support and project management office (PMO) support, have you looked to differentiate rates or considered alternative arrangements, eg secondments?

Relevant business case sections: Procurement route – ‘Procurement method and value on price’, ‘Benchmarking of rates’, ‘Financial case’ and ‘Breakdown of expenditure’.

6. Do you have strong mechanisms in place to make sure you get full value from the consultancy support?

- How have you ensured that the scoping, contract management and implementation have been/will be managed robustly?
- How will you ensure findings are effectively implemented?
- How will you act on findings and recommendations? Do the relevant individuals or teams have sufficient capacity and capability to deliver once consultancy support has ended?
- Focus on things like criteria for assessing effectiveness, not just the mechanism. For example, if delivery effectiveness will be considered or monitored by a board committee, how will they make their judgement?

Relevant business case sections: Assessment criteria – ‘Robust contract management’, ‘Capacity to implement findings/recommendations’ and ‘Robust post-implementation review proposal’.

7. Will intellectual property be generated through this consultancy work which may be of benefit to other NHS organisations?

- Could any of your deliverables be of use elsewhere in the NHS, if suitable contractual arrangements were made?
- Are there restrictions on the licensing/ownership of the deliverables?
- Demonstrate the provisions you have made to enable other NHS organisations to benefit from sharing your outputs.

Relevant business case sections: Assessment criteria – ‘Wider use of findings’.

Section B: How to ensure your case is presented as well as possible

Follow the guidelines below to ensure that your case is as well presented as possible, reducing the need for queries and potential resubmission.

Be candid and honest:

- Don’t expect the readers of your business case to read between the lines. If you are facing serious challenges you need support to address, be honest about it.

- Don't assume that the reader of the business case already understands your trust/CCG's situation.
- While others within Monitor, NHS England or the Trust Development Authority may be familiar with your circumstances, do not assume that those reviewing your business case will have the same background knowledge. Your business case should stand alone.

Provide some context to your proposal:

- If consultancy support is required to help deliver cost improvement programmes (CIPs) in a particular area, what financial context is the trust/CCG operating in?
- If the support will improve waiting list management, is this an area you are currently struggling with?
- Can you quantify the size of the opportunity and/or problem you are addressing? Considering both absolute and relative size may be helpful.
- If the proposal is for one part of several phases, what is known or to be decided about the other phases?

Make sure your business case has a consistent, strong narrative:

- Provide a clear link between the issues you are facing, the outputs you are seeking and the skills brought by your supplier.

Back your case with evidence:

- Avoid unsupported assertions and make sure key facts or views are justified.
- Provide evidence to support your position and, wherever possible, quantify it.

Don't just state that things will happen, describe how you will ensure they happen:

- For example, if delivery effectiveness will be monitored or reviewed by a board committee, how will they make their judgement?

Make sure your key points come across:

- Those reviewing your business case will approve or reject it based on the information presented in the case. Making an informed judgement relies on all the relevant information being presented, so don't 'pull your punches' or hold back with any information.
- Those inputting into the business case should be sufficiently senior to ensure that all key points are covered.

- If you were to present this business case in person, what would you say to ensure it was approved? Are those points sufficiently prominent in the written business case?

Provide information for all workstreams:

- Some business cases cover multiple workstreams, eg financial support, strategic support and PMO support. In such situations, your business case should have sufficient information for the reviewer to assess the seven questions above for each workstream.

Be succinct:

- Including all relevant information doesn't mean a long business case is necessary.
- Long, wordy paragraphs can distract from the key information they contain.
- Use bullet points where appropriate.

Use existing information, but don't just 'copy and paste':

- Most of the information needed for the business case should already exist, so make use of internal business cases, invitations to tender, supplier evaluations, etc.
- Remember that other documents are written for different purposes and audiences – copying them word for word is likely to lead to poorly constructed and/or lengthy business cases.