

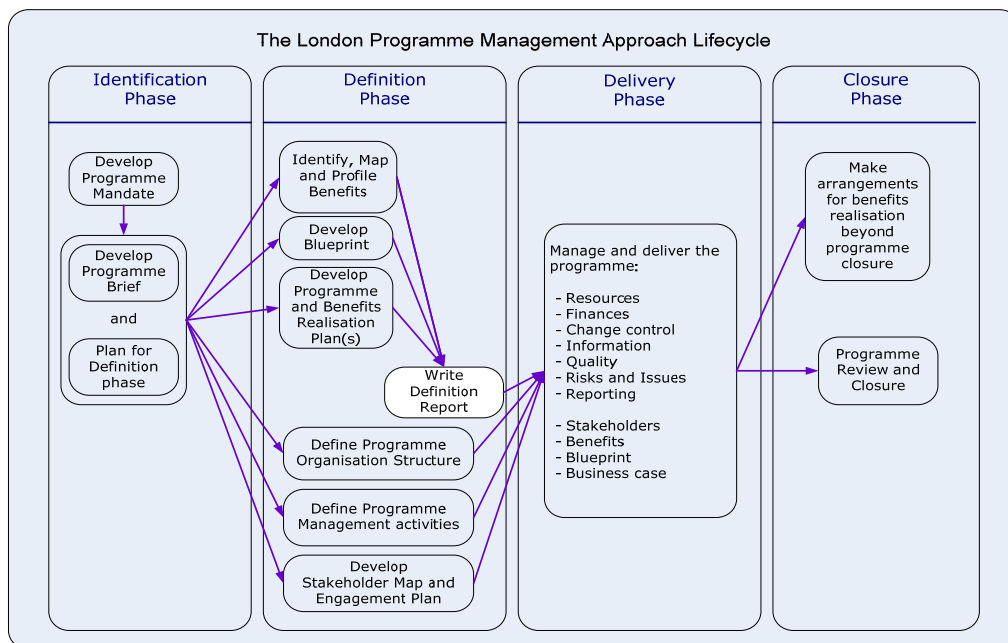
# Programme Definition Report

## Guidance

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The purpose of this guidance is to explain why a Definition Report is needed and how to create one. The Definition Report provides the detailed business case and forms the basis for the sponsoring group to decide whether to proceed with the programme.

This guidance is not accompanied by a template.



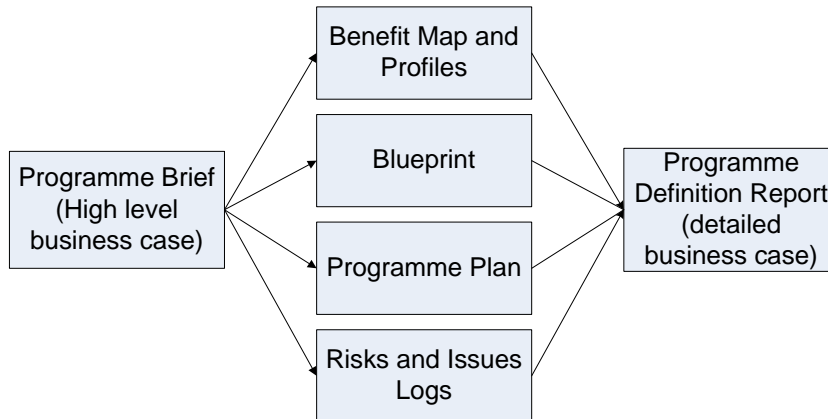
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## Introduction

The Definition Report is a key strategic document as it provides the detailed business case and forms the basis for the Sponsoring Group to decide whether to proceed with the programme.

The Definition Report concludes the programme's Definition phase. It pulls together the key information from the core programme documentation into a narrative and a detailed business case. The diagram below shows the information flow between the programme documents that are sources of information for the Definition Report.



Although much of the information required for the Definition Report is contained in the source documents shown above, there is an art in constructing a compelling evidence-based business case. The focus should be on presenting clear options, each related and evaluated in the context of the organisation's strategic objectives.

The Definition Report includes:

- Why the programme is being proposed
- What the programme will entail
- How long it will take and the milestones along the way
- The people and resources required to do it
- What the programme will achieve in terms of benefits.

When submitting the Definition Report to the Sponsoring Group, whether this is the Cabinet, executive management board or a combination, it is important to structure it in line with the organisational requirements for such reports. For most public sector organisations this will include securing the necessary sign-off from Finance, Legal and HR.

Also consider whether there is a requirement for an Equality Impact Assessment to accompany the Definition Report.

The level of detail, language and tone of the Definition Report needs to fit the audience. They need to have enough information to make their decision, but not feel overwhelmed with technical or procedural detail. It is not a process of cutting and pasting large sections of the Blueprint, Benefit Profiles etc.

There is no template for a Definition Report. They will take many different forms dictated by the nature of the programme and the needs of the Sponsoring Group. The following sections of this guidance suggest an outline for a Definition Report and suggested content.

## **1. Executive Summary**

The Definition Report will usually contain an executive summary which will include:

- A summary of the programme vision and outcomes, benefits and costs
- The programme context and an explanation of how it came about
- The threats and opportunities that the programme is designed to address
- A summary of the recommended solution (a number of options may be explored in the detail of the report)
- The return on investment for the recommended option
- Significant risks, issues, constraints and assumptions.

## **2. Options**

Typically, the business case contains a number of options and for each option presents:

- A summary of the Blueprint
- A cost/benefit analysis
- A risk appraisal
- Explanation of assumptions underpinning the costs or benefits
- Explanation of constraints
- Evaluation

The following sections will therefore be repeated for each option contained in the business case.

### **2.1 Summary Blueprint**

A summary of the Blueprint for the option should be included in order for the Sponsoring Group to be clear about the main feature of the solution proposed and how this differs from the other options presented.

### **2.2 Cost-Benefit Analysis**

A cost-benefits analysis, that includes both financial and non-financial costs and benefits, is the heart of the business case.

If the balance of costs outweighs the balance of the benefits for an option usually the business case for that option falls down.

However, if the benefits outweigh the costs then the other aspects of the business case become critical in the evaluation of the option and comparison with other options. For example, costs may not be the key factor in a compliance programme.

It is often useful to present the costs and benefits in a schedule showing where they occur over time. (See the Costs and Benefits Schedule section in the Programme Brief Guidance for one way of presenting this information). It is important to distinguish between cashable financial benefits and non-cashable financial benefits, as this will affect the return on investment and evaluation of the options.

Any one-off costs or increases in operational costs post programme should be included in the analysis, as well as presenting any 'invest to save' arguments.

Depending on the requirements of the organisation and content of the programme, cash flow analysis models, such as Net Present Value, or costing models, such as 'whole life costing' may need to be applied.

The Cost-Benefit Analysis section will include information from: the Programme Brief, Benefit Map and Profiles, Project and Programme Activities List (costs of delivery).

## **2.3 Risks and Issues**

Each option will have its own risks and issues, as well as some that are common. The Risks and Issues section of the Report needs to draw the Sponsoring Group's attention to any risks and issues that are critical and should inform the decisions they make. A summary of the plans for addressing risks and issues should also be included to help the Sponsoring Group weigh the importance of the risks and issues in making their decision.

The Risks and Issues section will include information previously recorded in the Risks and Issues Log.

## **2.4 Assumptions**

For each option there will be assumptions that have been made in calculating costs, designing the Blueprint and estimating benefits. The objective is to draw the Sponsoring Group's attention to any assumptions that are critical and which should inform the decisions they make.

A summary of the plans for verifying the assumptions and or alternative approaches, should the assumption turnout to be invalid, should be included. This will help the Sponsoring Group weigh the importance of the assumption in making their decision.

The Assumptions section will include information from the Blueprint and Benefit Profiles, which all contain details of assumptions.

## **2.5 Constraints**

For each option, there will be constraints the option must work within. The objective in this section is to draw the Sponsoring Group's attention to any constraints that are critical and which should inform the decisions they make.

A summary of the implication of not being able to work within the constraints should be included. This will help the Sponsoring Group weigh the importance of the constraints in making their decision.

Inputs to the Constraints include the Programme Brief, Blueprint and Benefit Profiles.

## **2.6 Evaluation**

The evaluation of each option needs to be based on an agreed set of criteria and weightings. Evaluation criteria might include:

- Timescale

- Overall costs
- Level of cashable and non-cashable savings
- Strategic fit
- Organisation capability and capacity to deliver
- Degree of compliance to regulation
- Complexity – e.g. number of stakeholders, organisations involved
- Degree of business change, including behavioural change
- Tried and test vs. leading edge solutions

The above list is not exhaustive. The evaluation criteria should be agreed with the Sponsoring Group

### 3. Comparison of the Options and Recommendation

Having explored the options the Programme Board should present a recommended option to the Sponsoring Group for their consideration. It is important that the Sponsoring Group read the whole Definition Report so they can assess the recommendation in the context of the full analysis of each option.

### 4. Sign-Off

The Definition Report needs to be signed off by the Sponsoring Group if they commit the resources to deliver the Programme.

## 5. Programme Definition Report - Check

Does the Definition Report satisfactorily answer the following questions?

Programme Definition Report		
Key Question	Section	Sub Question
Is the programme that has been developed achievable, affordable and will it deliver the benefits?	Executive Summary	What is the background to and recommended approach for the programme?
	Options	What are the options that have been considered and their relative strengths and weaknesses?
	Comparison of the options and Recommendation	What is the rationale for selecting the recommendation?
	Compliance and fit for purpose	Does the report meets the Financial, Legal and HR requirements and is it presented in the expected style and format for the Sponsoring Group?

