

Business case handbook

Expert insights to help you
build better business cases





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Introduction

Public resources are in high demand so it's important that time and money are used where they can make the most difference.

Creating well-structured and data-backed business cases helps ensure that spending decisions are well thought out. Covering benefits, costs and risks of a project to determine if it's the right choice – in terms of strategy and value.

A business case is developed for all major strategic projects in the NHS. However, our [2024 survey](#) conducted with the Health Service Journal (HSJ), told us that 1 in 3 estates and finance leads are 'not confident at all' or 'not that confident' in writing business cases. And 49% have been unsuccessful in securing funding up to £10m.

Many of the reasons for their struggle include short timeframes to apply for funding, high levels of competition for the limited capital available, complex and long processes and crucially, a lack of capacity to develop them.

That's where we come in.

We asked the experts at NHS Property Services to share their advice from years of experience in developing business cases and getting projects over the approval line.



In this handbook you'll get practical tips and new ideas on how to prepare, build and get approval for your business cases, including the key areas you need to focus on before you even begin writing.

How to structure a business case

It's important you first know where to find the official NHS guidance on how to create a business case.

The NHS follows HM Treasury's Five Case Model Methodology – a framework that is widely recognised as best practice and used across the UK public sector to make sure healthcare projects are well-planned, cost-effective and successful, resulting in better patient care and efficient use of public funds.

The five components of your business case



The Strategic Case

Sets out how the project or scheme provides a strategic fit and is supported by a compelling case for change.



The Economic Case

Sets out how the project will maximise social value by choosing the best mix of costs, risks, and benefits.



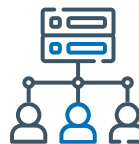
The Commercial Case

Shows how the project is commercially viable and attractive to suppliers. It also details the procurement strategy and contractual arrangements.



The Financial Case

Presents the cashflow for the project, illustrating how it will be affordable and fundable over time.



The Management Case

Explains how the scheme can be delivered successfully by the organisation and its partners. It includes what controls, governance procedures and measures are in place to ensure success.



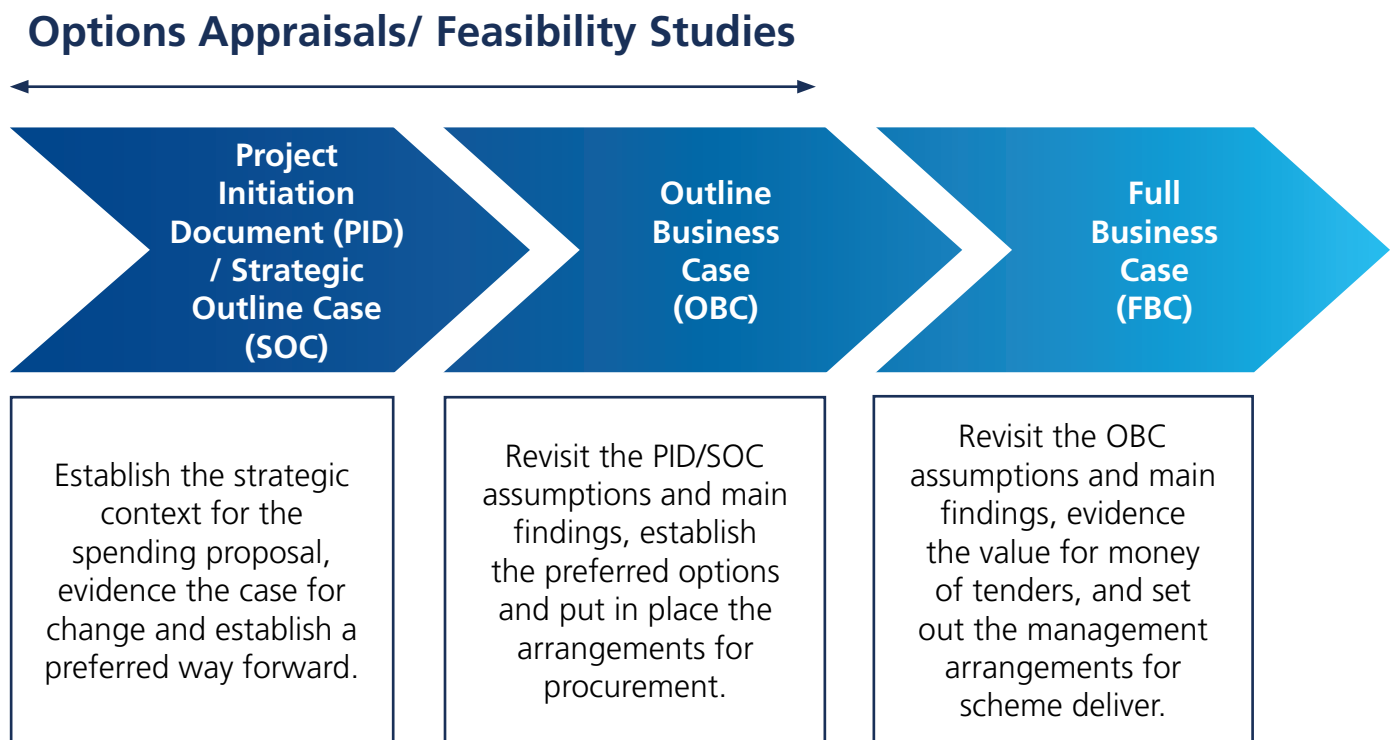
You can find detailed guidance from HM Treasury here:

- HM Treasury Green Book (2020): [The Green Book \(2020\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-green-book-2020)
- HM Treasury Guide to Better Business Cases: [Business case guidance for projects and programmes - GOV.UK](https://www.gov.uk/government/publications/better-business-cases)
- [NHS England » General business case process guidance](https://www.nhs.uk/england/business-cases)
- [NHS England » Business case approval process – Capital Investment, Property, Equipment and Digital Technology](https://www.nhs.uk/england/business-cases)



Business case process

There are several types of business cases and many different stages within each business case. The standard process is usually delivered in this order:



How long will this take?

The time the business case process takes will depend on the type and value of the project i.e. refurbishment vs new build and whether it's primary, community, mental health or acute.

But typically, for larger projects, it could take **up to two years**.

Writing of the PID, SOC, OBC and FBC can be completed reasonably quickly (within weeks).

But it may take many months to gather all of the supporting resources and documentation to allow you to write the document itself.

If you want to follow a thorough process, you should consider adding in time for a series of workshops with key stakeholders to test and develop each element of the five case model.



The questions you need to answer



What's the requirement?

Clearly explain the issue you are trying to address including population health needs, financial considerations and consequences of doing nothing.



Does it align with your ICS Estate Infrastructure Strategy?

NHS investments need to be prioritised to meet ICS strategic priorities and alignment to Core, Flex, Tail, so make sure you clearly show this.



What's the solution?

Detail the possible solutions to the challenge.

Ask yourself:

- How can it be solved, why is it needed?
- What resources are needed and how much will it cost?



Who's involved?

Identify the key stakeholders and customers, their needs and who will lead and who will manage the project.



What are the planned outcomes?

Explain both the positive and negative impacts – benefits and drawbacks.



What are the risks?

Consider what could go wrong.

- How likely is it and what would the impact be?
- How can you manage or mitigate these risks?



Before you begin



Define the challenge/requirement

When it comes to writing your business case, the first priority is to define the problem you're looking to solve.

- Does a building have lots of maintenance or compliance issues and needs investment?
- Is there a high demand for a service you haven't got the estate to deliver?
- Do you have too little space?
- Do you have too much space, especially office space?



① ② ③ Prioritise



Once you've defined your problem, think about your priorities. You might **like** to fix something, but you may have a bigger priority elsewhere that you **need** to fix first. If so, think about your options – including do nothing or do the minimum.

Think broadly and out of the box to help you prioritise.

- Could you deliver your project through partners?
- Could you phase delivery over several years?



Consider your options

Review all the possible solutions for your estate or clinical challenge.

- What is the change in activity you want to achieve?
- What are your operating hours?
- Can you optimise the use of existing space at different times?

Floor area drives cost in estates projects so be clear on the space you need. Consider whether you need a utilisation study of your existing space or a healthcare planner to help you to define your brief. Ask yourself these questions:

- Do you need to comply with clinical and infection control standards?
- Are you aiming for net zero carbon?
- Have you considered workforce implications?
- Have you considered the opportunity provided by the digital strategy?
- Have you incorporated sustainability, biodiversity and the wider greener NHS programme?
- If it's an office, what's your workforce and IT strategy?
- Do you want everyone in the office every day, or something different?



Consider your financial parameters

As part of your brief, think about how much you've got to spend. Don't go hunting for a five bed detached if all you can afford is a two bed terrace.

- Have you considered a full range of funding options?
- Is the property leased, can you explore commercial solutions with your landlord?

Get more advice about the different funding sources available to you with our guide to NHS Estate Funding.

[Learn more >>](#)



The cost of a new build project is often double the cost per square meter of updating a dilapidated older building.

Think about how much your capital will cost you each year.

- If you're leasing something, what about IFRS 16?
- Have you calculated the impact of your Right of Use Asset (ROUA)?
- Do you have the CDEL cover?
- What is the balance sheet treatment?
- In your budget, have you thought of everything?
- Who will provide the furnishings and clinical equipment and how will they be funded?
- Who will purchase and maintain the IT kit?
- Do you need new data lines to service the facility and what will they cost?

If you need some help, we've got benchmark running costs and lots of data is available, including [via ERIC](#).



Consider your costings

Run some feasibility numbers right at the beginning and test these with your key stakeholders and funders – are they within the financial envelope for your project?

Don't just think about how much you've got to buy or build. You need to consider how much it will cost to run given how much space you need and what resources are required to maintain it.



Consider your timeframe

The length of your programme could depend on how urgent the solution needs to be. Set out a high-level programme for developing a brief/PID/SOC, approvals, and OBC/FBC. Make sure you allow enough time for:

- Development of the business case stages and all of the supporting documentation

- Tenders and procurement
- Town Planning approvals
- Review and approval of the business case at each stage by all of the approving organisations

The time it takes to build your business case depends on the value and the type of project and where the funding is coming from. It could be anything between three months and three years to develop, submit and gain full approvals.

Timings could depend on:

- Capital or revenue investment request – each will have a different approval process
- Number of approving organisations – these will often run one after another, extending the timeframes
- How many organisations are involved in the project – each will require approvals, and some may have a different business case/ funding approval route
- Is your project complex or novel?

Make sure you engage the right people

When preparing to develop your business case, you need to get the right people involved. This will usually include:

- Home team – sponsor, finance colleagues, clinical input
- Advisory team to advise on design, cost and programme and town planning

- Your procurement team
- Local authority from a planning perspective
- NHS England
- Possibly consider political engagement
- Public engagement – there are specific processes and procedures

Remember to think about the capacity and expertise required to successfully deliver the approved project.



Think about governance of your project

- Who is sponsoring it?
- Who is leading it?
- Who needs to give their approvals and what might impact the approvals you need?

Get your stakeholders lined up and aligned.



Clarify approvals

Be clear from the outset of your approval route and discuss with your stakeholders so you can build that timeline into your programme.

Normally, you will be targeting a specific funding stream or programme and your submission timeline will be fixed. If you are working up a scheme in advance, you will be monitoring funding options so you are ready to submit when an opportunity arises.



Top tips

1. Start with strategy (the why)

The strategic case is the first section of a business case for a reason, i.e., form follows function. You need to start by outlining the problem you aim to solve, determining your key drivers, service requirements, investment objectives, measurable benefits, critical success factors and key risks. Do not move forward until you have these points defined and agreed by key organisations.

2. Engage leaders and stakeholders

Your project should be a priority both strategically and financially. So engaging with leadership and stakeholders, and getting their genuine commitment, is vital to completing the business case and gaining the necessary funding approvals. If it's not a priority, then consider whether you should proceed.

To get buy in and engagement, focus on making the project tangible by inviting stakeholders to the site to experience the problem first hand. Encourage them to talk to the healthcare workers and the community the problem impacts. This first-hand experience will create more support and understanding for your project, leading to better outcomes and more collaborative working.

Use real life examples when explaining requirements to help people visualise. For example, 1200 sqm might be equivalent to an Olympic sized swimming pool; 100 sqm might be a three bed house; 850 sqm might be a 10,000 patient GP surgery or 15 consulting rooms.

3. Understand your current knowledge base

Before you embark on writing a business case for your proposed project, you need to get to know your project team, including their level of knowledge and experience. Meet them and ask them whether they have done anything similar before.

Remember that often people only do or are involved in big projects once in their career. So you might know what you're doing, but they might need lots of hand holding regarding the jargon and the steps.

4. Know your costs and affordability

Understand the general cost envelope early on to determine from a high-level perspective whether the project is affordable. We recommend you seek help to make sure you've covered all potential costs - things like where the equipment will come from and who will maintain it often get forgotten.

You need to genuinely be able to explain why the investment is worth it, and what benefits it will deliver. Why should the NHS invest in this project compared to another project?

Be careful not to commit to spending lots of money early on. Look at high level options using benchmark building costs and running costs to see if you can afford them before you set off.

5. Do your due diligence to reduce uncertainty

Manage expectations and constantly keep the costs and requirements under review. You don't want to get to the end of a design process and find that you can't even afford that two bed terrace that you thought might be yours.

- Understand how utilities (especially electrical supplies) are going to be delivered
- Secure your planning consent
- Complete your site investigations

Consider enabling activities such as site acquisition, asbestos removal, demolition and site clearance, diversion of services – although this may require a separate business case it may facilitate an early start on site following approvals.

You need to take optimism bias into consideration too. Your programme will always cost more than you think it should.

Add 30% on to your figures and reduce this over time and you should be 0% at time of delivery.

6. Understand the form of business case you need to deliver

There are different types and stages of business cases. The document you need to prepare will depend on the stage of your project, the scale of the investment required, the funding route and who the approval bodies are. Talk to the approver, or NHSPS can advise.

7. Know your approval route and get approvers on side

Understand the approval route and engage approvers early. Find out what they are expecting to see. And keep them involved throughout the process through regular briefings and updates and/or part of project board depending on the scale of the project and the individual concerned.

8. Consider a template

We'd suggest it takes a minimum of 2-3 months to develop the documentation and progress it through intermediary approvals (organisation, locality, ICB) prior to submission to the approver.

We recommend that you develop a pre-prepared business case that touches on your major strategic goals, which you can refine and submit if bidding for programme capital opens up and is related to your funding areas of interest. Doing so allows you to move quickly when a funding window opens.

9. Commit to the journey

Only start on the business case journey if you have the drive, determination, capacity, capability, and leadership to see the project through to full business case approval. Stopping and starting will be an inefficient use of time and valuable public funds.

Don't underestimate the time it takes to prepare for and then write the business case, gain your approvals and then deliver the project. Manage expectations, and consistently review where you are.

You will also need a project budget and internal or external project resources and project management processes over the life of the scheme.

10. Better Business Case Training

In order to improve the quality of business cases, complete the NHS Better Business Case training to Foundation stage for projects of more than £15m. This is for leads on finance, estates and project management within the team. Courses are APMS available through accredited providers including a team at Midlands CSU.

Business cases in action: Case studies

Working with Integrated Care Boards, we have successfully built and secured approval of business cases that have unlocked transformational projects across the NHS estate.



Catterick Integrated Care Centre

Catterick Integrated Care Centre, a joint MOD and NHS primary healthcare facility, will serve Catterick Garrison and surrounding areas, covering 11,000 sqm with a total cost of £110 million. NHSPS conducted an initial options appraisal and supported the CCG in developing the PID, which led to the OBC being revised and approved in March 2023.

In late 2022, Community Ventures was appointed to help write the Full Business Case, resulting in more than 50 appendices and 25-30 design documents, with NHSPS preparing the Comprehensive Investment Appraisal (CIA) and benefits workings. The FBC received ICB approval and was submitted to NHSE in May 2023, with revisions resubmitted in December 2024.

The project is now in the construction phase, scheduled for completion in mid-2026.



Chiswick Health Centre

NHSPS partnered with Hounslow Council to develop Chiswick Health Centre, which will deliver a range of primary care services to serve 60,000 patients.

From 2020 to 2022, NHSPS led the strategy, feasibility and options assessment phases leading to developing the OBC and FBC with support from consultants.

We prepared a HM Treasury Green Book compliant five case OBC, allowing the scheme to be broadly approved and then to progress to FBC stage, with the subsequent development of a fully compliant FBC. The redevelopment will include a public community garden, a private landscaped courtyard, and a fifth-floor garden terrace, in addition to 55 new affordable housing units designated for key health workers. The health centre is also built with sustainability at its core with carbon emissions reduced by 77%.

The site is due to open early 2025 and once operational, will be a base for the Chiswick Primary Care Network and house three GP practices.



Northwood and Pinner

In collaboration with the Northwest London Integrated Care Board and the Department of Health and Social Care, NHSPS oversaw the development of a new, state-of-the-art health centre in Northwood and Pinner.

Partnering with GB Partnerships, NHSPS prepared a comprehensive OBC enabling the scheme to gain approval and advance to the FBC stage. This process included developing a Comprehensive Investment Appraisal model, managing project options, and creating summarised reports for stakeholder approval.

The redevelopment will be a base for two GP practices and the local Primary Care Network, serving over 20,000 patients.





How can NHS Property Services support you?

We've supported more than our fair share of business cases to get estates projects the go ahead. We'll help you write one that puts across your case in the clearest, most compelling terms – even against rigorous, technical criteria.

Because NHS Property Services contains so many specialisms, we can tap into experts in construction, cost planning, town planning and options appraisal, so your case stands up from every angle. Members of our team are accredited with Better Business Cases qualifications, specific training for writing proposals for government spending. This is a must for NHS England – so you can be confident you're doing things by the book.



Read more about our services and how we can support you.

[Learn more >>](#)



Get more advice on funding your NHS estate

Find help on how to navigate the funding system and unlock capital and revenue funding for your estate in our free NHS Estate Funding guide.

[Get your copy here >>](#)





About us

NHS Property Services provides strategic estates services to enable excellent patient care. We partner with Integrated Care Boards, Trusts and GP practices across England to better assess, adapt, and manage around 3,000 buildings – safely and sustainably.

As part of the NHS, we know how it works and help our customers navigate the system more easily. Last year, for example, we unlocked more than £150 million to reinvest or reimagine spaces. With over 5,500 experts, our local teams make the real difference by understanding individual estates and community needs.

From estate strategy to town planning and cleaning, through to selling inefficient assets and reinvesting the proceeds, our end-to-end service supports every life stage of an NHS building. Saving significant time and money so our customers can spend more time delivering the best patient care.

Because we're part of the NHS, every penny stays within the health system and is reinvested across the NHS. So we can continue to focus on delivering brilliant service and building an NHS estate that's fit for the future.



c.3,000

buildings maintained and compliant for your patients



£150m

unlocked in funding and value to optimise your space




5,500

experts on hand to help you assess, adapt and maintain your estate



Read more about our services and how we can support you.

[Learn more >>](#)

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