

XXXX Project Author Name Exec Name Client Name

SP-NN Strategic Outline Case

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Executive Summary

* 1. Outline of the Investment Proposal
  2. Strategic Case
  3. Economic Case
  4. Commercial Case
  5. Financial Case
  6. Management Case
  7. Recommendation

1. Introduction to the Investment Proposal

This SOC seeks approval to invest an estimated $... in ….

1. Strategic Case

The purpose of this section is to explain how the scope of the proposed project or scheme fits within the existing business strategies of the organisation, and provides a compelling case for change, in terms of the existing and future operational needs of the organisation.

Please refer back to the Strategic Outline Programme (SOP) noting any key changes since the production and approval of this document.

* 1. Strategic Context

**Organisational Overview**

The strategic drivers for this investment are as follows:

**Existing Strategies and Plans**

**Alignment of Proposed Investment**

* 1. Strategic and Operational Needs

**Investment Objectives**

**Existing Arrangements**

**Current and Future Business Needs**

* 1. Summary of Investment Proposal

**Potential Business Scope and Key Service Requirements**

**Main Benefits Criteria**

**Main Risks**

**Constraints**

**Dependencies**

* 1. Summary of the Case for Change

1. Initial Economic Case

This section of the SOC documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

* 1. Critical Success Factors

The critical success factors for this investment, in priority order, are:

* Business need;
* Strategic fit;
* Benefits optimisation;
* Potential achievability;
* Supply-side capacity and capability;
* Potential affordability.
  1. Long-List Options

Within the potential scope of this proposal, the following options were considered:

* XXX;
* XXX.

These options are assessed using the options framework in the following sections.

* + 1. Scoping Options

**Options Considered**

Within the broad scope outlined in the strategic case, the following main scoping options have been considered:

|  |  |
| --- | --- |
| **Option 1.1 – do nothing** | |
| Description | Continue with current arrangements |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 1.2 – do minimum** | |
| Description | Marginal improvements in … |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 1.3 – intermediate scope** | |
| Description | Delivers improvements in ….. |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 1.4 – maximum scope** | |
| Description | Delivers improvements in ….. and …. |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

**Assessment of Scoping Options**

The table below summarises the assessment of each option against the investment objectives and CSFs.

|  | Option 1.1 | Option 1.2 | Option 1.3 | Option 1.4 |
| --- | --- | --- | --- | --- |
| **Description of option:** | Do nothing | Minimum | Intermediate | Maximum |
| **Investment objectives** |  |  |  |  |
| 1 | 🗶 | ? | ✓ | ✓ |
| 2 | 🗶 | ? | ✓ | ✓ |
| 3 | 🗶 | ? | ✓ | ✓ |
| 4 | ? | ? | ✓ | ✓ |
| 5 | 🗶 | ? | ✓ | ✓ |
| **Critical success factors** |  |  |  |  |
| Business need | 🗶 | ? | ✓ | ✓ |
| Strategic fit | 🗶 | 🗶 | ✓ | ✓ |
| Benefits optimisation | 🗶 | ? | ✓ | ? |
| Potential achievability |  |  | ? | ? |
| Supply-side capacity and capability |  |  |  | ? |
| Potential affordability | 🗶 |  | ? | 🗶 |
| **Summary** | Discounted | Possible | Preferred | Discounted |

**Conclusions**

Option 1.1 has been discounted because it does not satisfy …..

Option 1.2 would deliver … and is possible because…

Option 1.3 would deliver….. and is preferred because…

Option 1.4 would deliver….. but has been discounted because…….

The preferred option is carried forward for assessment of service solution options.

* 1. Service Solution Options

**Options Considered**

This range of options considers potential solutions in relation to the preferred scope.

Within the broad scope outlined in the strategic case, the following main service solution options have been considered:

|  |  |
| --- | --- |
| **Option 2.1 – XXXX** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 2.2 – XXXX** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

**Assessment of Service Solution Options**

The table below summarises the assessment of each option against the investment objectives and CSFs.

|  | Option 2.1 | Option 2.2 |
| --- | --- | --- |
| **Description of option:** | XXXX | XXXX |
| **Investment objectives** |  |  |
| 1 | 🗶 | ? |
| 2 | 🗶 | ? |
| 3 | 🗶 | ? |
| 4 | ? | ? |
| 5 | 🗶 | ? |
| **Critical success factors** |  |  |
| Business need | 🗶 | ? |
| Strategic fit | 🗶 | 🗶 |
| Benefits optimisation | 🗶 | ? |
| Potential achievability |  |  |
| Supply-side capacity and capability |  |  |
| Potential affordability | 🗶 |  |
| **Summary** | Discounted | Possible |

**Conclusions**

Option 2.1 is possible because…

Option 2.2 is preferred because…

The preferred option is carried forward for assessment of service delivery options.

* 1. Service Delivery Options

**Options Considered**

This range of options considers the options for service delivery in relation to the preferred scope and potential solution.

Within the broad scope outlined in the strategic case, the following main service delivery options have been considered:

|  |  |
| --- | --- |
| **Option 3.1 – In-house** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 3.2 – Outsource** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 3.3 – Strategic Partnership** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

**Assessment of Service Delivery Options**

The table below summarises the assessment of each option against the investment objectives and CSFs.

|  | Option 3.1 | Option 3.2 | Option 3.3 |
| --- | --- | --- | --- |
| **Description of option:** | XXXX | XXXX | XXXX |
| **Investment objectives** |  |  |  |
| 1 | 🗶 | ? | ? |
| 2 | 🗶 | ? | ? |
| 3 | 🗶 | ? | ? |
| 4 | ? | ? | ? |
| 5 | 🗶 | ? | ? |
| **Critical success factors** |  |  |  |
| Business need | 🗶 | ? | ? |
| Strategic fit | 🗶 | 🗶 | 🗶 |
| Benefits optimisation | 🗶 | ? | ? |
| Potential achievability |  |  |  |
| Supply-side capacity and capability |  |  |  |
| Potential affordability | 🗶 |  |  |
| **Summary** | Preferred | Discounted | Possible |

**Conclusions**

Option 3.1 would/would not …… and is preferred because……

Option 3.2 would/would not …… and is discounted because……

Option 3.3 would/would not …… and is possible because……

The preferred option is carried forward for assessment of implementation options.

* 1. Implementation Options

**Options Considered**

This range of options considers the choices for implementation in relation to the preferred scope, solution and method of service delivery.

Within the broad scope outlined in the strategic case, the following main implementation options have been considered:

|  |  |
| --- | --- |
| **Option 4.1 – Big Bang** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 4.2 – Phased** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

**Assessment of Implementation Options**

The table below summarises the assessment of each option against the investment objectives and CSFs.

|  | Option 4.1 | Option 4.2 |
| --- | --- | --- |
| **Description of option:** | ‘Big Bang’ | Phased |
| **Investment objectives** |  |  |
| 1 | ✓ | ✓ |
| 2 | ✓ | ✓ |
| 3 | ✓ | ✓ |
| 4 | ✓ | ✓ |
| 5 | ✓ | ✓ |
| **Critical success factors** |  |  |
| Business need | ✓ | ✓ |
| Strategic fit | 🗶 | ✓ |
| Benefits optimisation | ? | ? |
| Potential achievability | 🗶 | ✓ |
| Supply-side capacity and capability | 🗶 | ✓ |
| Potential affordability | ? | ? |
| **Summary** | Discounted | Preferred |

**Conclusions**

Option 4.1 has been discounted because……

Option 4.2 is possible because……

The preferred option is carried forward for assessment of funding options.

* 1. Funding Options

**Options Considered**

This range of options considers the choices for funding and financing in relation to the preferred scope, solution, method of service delivery and implementation.

Within the broad scope outlined in the strategic case, the following main funding options have been considered:

|  |  |
| --- | --- |
| **Option 5.1 – Private finance** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

|  |  |
| --- | --- |
| **Option 5.2 – Public finance** | |
| Description | XXXX |
| Advantages |  |
| Disadvantages |  |
| Conclusion |  |

**Assessment of Funding Options**

The table below summarises the assessment of each option against the investment objectives and CSFs.

|  | Option 5.1 | Option 5.2 |
| --- | --- | --- |
| **Description of option:** | Public | Private |
| **Investment objectives** |  |  |
| 1 | ✓ | ✓ |
| 2 | ✓ | ✓ |
| 3 | ✓ | ✓ |
| 4 | ✓ | ✓ |
| 5 | ✓ | ✓ |
| **Critical success factors** |  |  |
| Business need | ✓ | ✓ |
| Strategic fit | 🗶 | ✓ |
| Benefits optimisation | ? | ? |
| Potential achievability | 🗶 | ✓ |
| Supply-side capacity and capability | 🗶 | ✓ |
| Potential affordability | ? | ? |
| **Summary** | Discounted | Preferred |

**Conclusions**

Option 5.1 has been discounted because……

Option 5.2 is possible because……

* 1. Preferred, Possible and Discounted Options

The long list has appraised a wide range of possible options.

| **Option** | **Finding** |
| --- | --- |
| **Scope** |  |
| 1.1 ‘Do nothing’ | Discounted because … |
| 1.2 Minimum | Possible because … |
| 1.3 Intermediate | Preferred because … |
| 1.4 Maximum | Discounted because … |
| **Service Solutions** |  |
| 2.1 XXX |  |
| 2.2 XXX |  |
| **Service Delivery** |  |
| 3.1 In-house |  |
| 3.2 Outsource |  |
| 3.3 Strategic partnership |  |
| **Implementation** |  |
| 4.1 Big bang |  |
| 4.2 Phased |  |
| **Funding** |  |
| 5.1 Private |  |
| 5.2 Public |  |

* 1. Preferred Way Forward

On the basis of the above analysis, the preferred way forward is …

* 1. Short List Options

The ‘preferred’ and ‘possible’ options identified above have been carried forward into the short list for further appraisal and evaluation. All the options that were discounted as impracticable have been excluded at this stage.

On the basis of this analysis, the recommended short list for further appraisal within the Outline Business Case (OBC) is as follows:

* Option 1 – the do minimum, do nothing or status quo;
* Option 2 – the reference project or outline Public Sector Comparator (PSC) based on totality of the preferred choices within each of the above categories;
* Option 3 – the reference project or outline PSC (more ambitious option) based on the more ambitious possible options within each of the above categories;
* Option 4 – the reference project or outline PSC (less ambitious option) – based on the less ambitious options within each of the above categories.

The preferred option will be identified and recommended for approval within the OBC.

**Indicative Costs and Benefits**

The indicative economic costs of each of the short listed options are:

|  |  |  |
| --- | --- | --- |
|  | **Undiscounted ($)** | **Net Present Cost (Value) ($)** |
| **Option 1** | | |
| Capital |  |  |
| Revenue |  |  |
| Total costs |  |  |
| ***Less*** cash releasing benefits |  |  |
| Costs net cash savings |  |  |
| Non-cash releasing benefits |  |  |
| **Total** |  |  |
| **Option 2** | | |
| Capital |  |  |
| Revenue |  |  |
| Total costs |  |  |
| ***Less*** cash releasing benefits |  |  |
| Costs net cash savings |  |  |
| Non-cash releasing benefits |  |  |
| **Total** |  |  |

* 1. Value for Money Assessment

1. Outline Commercial Case

This section of the SOC outlines the proposed deal in relation to the preferred option outlined in the economic case.

* 1. Required Services

The required products and services in relation to the preferred way forward are briefly as follows:……

* 1. Supply-side Interest
  2. Possible Deal

The following terms and conditions should be included in any potential contract:

* XXX

The timescale for the deal is expected to be:

* XXX

The payment mechanism for the scheme could be:

* XXX

The main risks associated with the scheme are:

* XXX

These could potentially be tied down contractually within the deal and associated payment mechanisms as follows: ……

* XXX
  1. Personnel Implications
  2. Accountancy Treatment
  3. Procurement Strategy and Timeframes
  4. Attractiveness Assessment

1. Outline Financial Case

The purpose of this section is to set out the indicative financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

* 1. Organisational Financial Position
  2. Summary of Financial Appraisal

The indicative financial implications of the proposed investment are as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| $ xxx | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Total |
|  | $ | $ | $ | $ | $ | $ | $ | $ |
| Indicative costs of preferred way forward: | | | | | | | | |
| Capital |  |  |  |  |  |  |  |  |
| Revenue |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |
| To be funded by: | | | | | | | | |
| Existing |  |  |  |  |  |  |  |  |
| Additional |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |

* 1. Impact on Financial Statements
  2. Funding Strategy
  3. Statement of Support
  4. Affordability Assessment

1. Outline Management Case

This section of the SOC addresses the ‘achievability’ of the scheme. Its purpose is to set out the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

* 1. Key Management Considerations
  2. Stakeholder Engagement
  3. Risk Mitigation Activities
  4. Management Strategy
  5. Assurance and Specialist Advisors

| **Specialist Area** | **Nature of Advice Required** |
| --- | --- |
| Financial |  |
| Legal |  |
| Procurement and probity |  |
| Technical |  |
| Assurance |  |
| Other |  |

The final draft SOC will be subjected to a Gateway 1 (Business Justification) Review.

* 1. Achievability Assessment

1. Next Steps
   1. Recommended Way Forward
   2. Arrangements for completion of OBC
   3. Request for Approval to Proceed

This Strategic Outline Case seeks formal approval from *[decision-makers]* to commence development of the Outline Business Case (OBC), based on the preferred way forward and the short-listed options above. The Outline Business Case will then form the basis of further advice.

1. References

Appendix 1 – Organisational Strategies and Plans

Appendix 2 – Strategic Business Plans / SOP

Appendix 3 – Risk Potential Assessment

Document History

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| Document Location | This document is only valid on the day it was printed.  The source of the document will be found in the XXXXX directory. |

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| Templates | This document is based on the Strategic Outline Case TP V01\_00 Template  and the Strategic Outline Case PD V01\_00 Product Description. |

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| Revision History |  |

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