THE UNIVERSITY OF LEEDS

CAPITAL GROUP

**STRATEGIC OUTLINE CASE (SOC) FOR <INSERT TITLE OF INITIATIVE>**

*The attached Strategic Outline Case is for <insert title>. The aim of the initiative is <insert brief description of the initiative aim(s)>. Capital Group is requested to approve the commitment of investing <£xm> to progress to Prima Facie Business Case, and noting that the cost to progress to Full Business Case is estimated to be <£ym>.*

**The need for investment**

1. A statement of exactly what you are asking for, and why you are asking for it.

**Strategic context**

1. A brief narrative to outline the strategic alignment of the proposal.
2. Summary of the external market rationale and competitive context.

**Benefits and financial information**

1. Confirm the headline financial and non-financial benefits of the proposal and how the investment delivers these.
2. Summary of the outline financial costs:

|  |  |
| --- | --- |
| **Estimated Total Initiative Cost (£k)** |  |
| **Estimated Cost to Progress to Prima Facie Business Case (£k)** |  |
| **Estimated Cost to Progress to Full Business Case (£k)** |  |
| **Annual Recurrent Costs (Post Initiative) (£k)** |  |
| **Potential Cost Savings (£k)** |  |

**Key dates**

1. Summary of the outline programme:

|  |  |  |
| --- | --- | --- |
| **Key/Milestone Date(s)** | **Description** | **Date** |
| Key Funding Dates | For example, date by which the grant requires the building to be operational |  |
| Full Business Case Approved |  |  |
| Start Test and Deliver/Start on Site |  |  |
| Go Live/In Use |  |  |

**Conclusion**

1. Conclusion and statement of what decision is being requested.

<INSERT NAME OF AUTHOR>

<INSERT ROLE OF AUTHOR>

ANNEX 1 – Strategic Outline Case Document

ANNEX 1

**<<Initiative Name>>**

**Strategic Outline Case**

|  |  |
| --- | --- |
| **Initiative Code** |  |
| **Faculty, School, Directorate Name** |  |
| **Executive Sponsor** |  |
| **Business Lead** |  |
| **Author(s)** |  |
| **Programme/Project Manager** |  |
| **Estimated Capital Cost (£)** |  |
| **Funding Source(s)** |  |
| **Document Status** | DRAFT |
| **Forecast Date of SOC Approval** |  |

Document Review

This document has been reviewed by:

|  |  |  |  |
| --- | --- | --- | --- |
| Role | Name | Method of Acceptance/Signature | Date of Signature |
| Sponsor |  |  |  |
| Faculty/Service Finance Manager |  |  |  |
| Head of Finance, Facilities Directorate |  |  |  |
| Head of Management Accounting |  |  |  |
| Head of Programme Management Office |  |  |  |
| Director of Estates |  |  |  |

This is template version 1.2

**Ensure that you use the latest version of this template from the** [**website**](https://facilitiesdirectorate.leeds.ac.uk/investment-appraisal/)

Version Control

Record any version changes in the table below when circulating drafts:

| Version | Revision Date | Summary of Changes | Changes Made By: |
| --- | --- | --- | --- |
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To update the table of contents, follow the instructions below:

1. Select the table, right click.
2. Select ‘Update Field’ from the menu.
3. You can then update the entire table or just the page numbers. You will need to select ‘Entire Table’ if you have added or deleted sections.
4. If sections do not appear in the contents table, ensure you have used the formatting tool to create the headings and sub headings.

Guidance note

* **Guidance boxes (like this one) are provided throughout the document. Once the document is drafted, please delete this box and any subsequent guidance boxes throughout the document.**
* Please write the text supporting the case outside of the guidance box (either above it or below it) then delete the box.
* The main paper at the start of the document is the formal approval document, which must be compliant with the secretariat’s house style. The rest of the document is considered to be an ANNEX to the approval document and contains the detailed assessment.
* All text (except Heading Titles) should be in Arial font, size 11, colour: black

# Outline of Strategic Need

## University Strategic Alignment

The following strategic priorities will benefit from this initiative:

Key questions to answer:

* In what way does this proposal help achieve the University’s strategic aims?
* Why is the investment critical to the business area (e.g. school/faculty)?
* How does it build on actions already taken by the business area?
* How will it help transform the performance of the business area?
* How might other functions of the University benefit from the initiative, e.g. space released for other uses?

Guidance

* Explain how the initiative aligns with the University’s strategic priorities under the sub-headings of ‘Research’, ‘Students’, ‘International’ and ‘Estates or IT strategy’.
* When writing this section, focus on the key strategic priorities that will be supported by this initiative rather than attempting to write a paragraph on every priority. If the initiative does not support any strategic priorities under a particular sub-heading then delete the heading.
* Highlight where the initiative addresses issues relating to the Estates or IT strategy, for example, where the initiative addresses a fitness for purpose or maintenance shortfall.
  + 1. **Research**

<The following research-focused strategic priorities will be supported by this initiative><delete if not relevant>.

* + 1. **Students**

<The following student-focused strategic priorities will be supported by this initiative><delete if not relevant>.

* + 1. **International**

<The following international-focused strategic priorities will be supported by this initiative><delete if not relevant>.

* + 1. **Estates or IT Strategy**

<The following Estates- or IT-focused strategic priorities will be supported by this initiative><delete if not relevant>.

## Market Rationale and Competitive Context

Key questions to answer:

* How does the external market support the case for the proposal? Provide detailed evidence, benchmarking the University’s current position compared to our competition and where we want to be?
* If the proposal is research based, how has the opportunity arisen?
* What is our current share of funding in this area, is this funding stream growing, and why is there an opportunity to grow our share of funding?
* If the proposal is teaching based, what are the market trends, what is our current position, and how can we exploit the opportunity and to what scale?
* Who are the main competitors, what has been their focus and investment, how have they been performing in relation to the University of Leeds (financial and non-financial performance)?
* To what extent will the proposed investment take income away from the competition (gain market share)? If this is the case, how will it achieve this?

Guidance

* Describe the factors and circumstances in the external market that have created this opportunity.
* For research-based cases, explain how the opportunity for increased income has arisen, including details of the relevant funding institution (e.g. EPSRC):
  + Key objectives of the funding body and how these link to the academic area.
  + Total number and value of annual grants for the relevant academic area over the grant’s timeframe.
  + Historic and expected future trends.
  + The relevant academic area’s performance in securing grant funding.
  + How income opportunities arise from the above and to what scale.
* For teaching-based cases detail trends in: student numbers, market projections, and how the market opportunity intersects with the strengths of the relevant academic area.
* Summarise the main outcome of a full market analysis, how this analysis has been derived (ideally using externally derived projections), the information used and how it has been gathered.
* The market research should consider the risks and opportunities associated with the external environment, e.g. market research estimates that there will be growth of 20% in this sector over the next five years with anticipated increases to private sector funding for research of £3m per annum.
* A tool such as PESTLE can be used to support the rationale by considering the following external factors: political, economic, social, technological, legal, environmental.
* Present relevant league tables including how we benchmark against key competition.
* For Taught income proposals, reference should be made to Higher Education Statistics Agency (HESA) market data, which is supplied to faculties on an annual basis.

## Drivers for Change

Key questions to answer:

* What are the key drivers for the change, and what gaps will be addressed by this initiative? For example:
  + Growth (new programmes, research activity, student recruitment).
  + Improvement in academic performance.
  + Positive impact on the condition and sustainability of the University’s estate and infrastructure (provided in conjunction with Estates Service).
  + Income protection (to maintain current levels of activity).

## Vision Statement

The vision for the initiative is…

Key question to answer

* What is the compelling long-term vision that underpins this proposal?

Guidance

* Include a statement that describes the clear and aspirational opportunity or long-term desired change resulting from the initiative.
* The vision statement is the outward-facing description of the future state following initiative delivery and will describe the new services, improved service levels, or innovative ways of working with customers. It should be used to engage and gain commitment from as many stakeholders as possible.
* The vision statement sets out a high-level picture of the future. It sets the context for the specific performance improvement outcomes that the initiative must deliver.

## Objectives

We will achieve the vision through delivering the following objectives…

Guidance

* The objectives of the initiative should be clearly stated in this section.
* Objectives are lower-level statements that describe the specific, tangible products and deliverables that the initiative will deliver.
* The statement could start as follows: “We will achieve the vision through delivering the following objectives…”
* For further guidance on how to define objectives, refer to the delivering results guidance at: <http://deliveringresults.leeds.ac.uk/delivering-results-themes/oversight/benefits/>”

# Success Criteria and Benefits

## Benefits

Guidance

* + - * Benefits are those outcomes that will lead to measurable improvements.
* Consider the benefits for each option in the table below. Examples of benefits include:
  + Increase of 10% in student conversion rate.
  + Cost saving of three FTE.
  + Increase in income of 5%.
  + Decrease in processing time by three days.
  + Increased community and civic value.
* In some cases unavoidable negative impacts of change may be acceptable in the context of greater benefits. These are called disbenefits and an example could include impacts on the community. Significant disbenefits should be recorded in table 2.1.1 below.
* Record how the benefit will be measured. This will demonstrate the how the initiative has been successful.
* Record a date and timeframe when the benefit is expected to be delivered.

**Table 2.1.1: Benefits and Disbenefits**

| **#** | **Benefit/Disbenefit** | **Measure** | **Timing** |
| --- | --- | --- | --- |
| 01 |  |  |  |
| 02 |  |  |  |
| 03 |  |  |  |

## Success Criteria

Key questions to answer:

* How will we know whether this initiative has been successful?
* Where are we today compared to our benchmarks (league tables, NSS)?
* Where do we want to be?
* What needs to happen to get us there?

Guidance

* Success criteria are the outcomes by which the initiative will be judged at the end to decide whether or not it has been successful in the eyes of the stakeholders. Examples include:
  + Increase in annual research income from £xk per FTE to £yk per FTE.
  + Levels of PGR recruitment compared to peers, from below RG average to above.
  + Levels of PGT recruitment, e.g. from x to y FTE students.
  + Improved cohort mix in terms of percentage international (non-home/EU) students.
  + Employability of students, student satisfaction, impact case studies, league table position, REF research intensity, etc.
  + Sustainability measures such as:
* Reduction in resources used.
* Reduction in carbon/water per FTE or £ income.

**Table 2.2.1: Success Criteria**

| **Success Criteria** | **Benchmark Position** | **Performance to Date** | **Future Performance** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

# Assumptions, Constraints and Dependencies

## Assumptions

Guidance

* To develop an understanding of the initiative’s scope, it is often necessary to make assumptions. Some of these could significantly impact on the business case; key assumptions should therefore be recorded in the table. For example:
  + It is assumed that 50% of the additional recurrent costs will be funded via IPE.
  + It is assumed that building B can be used as a decant area while refurbishment of building A is undertaken.
  + Assumptions about tax planning should be included, in the capital project VAT and in ongoing operations.

**Table 3.1.1: Assumptions**

| **Assumptions** | |
| --- | --- |
| A1. |  |
| A2. |  |

## Constraints

Guidance

* Any factors that limit the team’s options, time, schedule, resources, cost or scope should be recorded. Some constraints could significantly change the way in which the initiative is approached and should be recorded in the table. For example:
  + Funding for this initiative requires completion of the initiative within a two-year period starting from <provide date>.

**Table 3.2.1: Constraints**

| **Constraints** | |
| --- | --- |
| C1. |  |
| C2. |  |

## Dependencies

Guidance

* A dependency is one of the following:
* A separate initiative or activity that is required to achieve a successful outcome for this initiative.
* A separate initiative or activity that is dependent on the outcome of this initiative. For example:
* Before initiative A can progress, initiative B needs to have refurbished the first floor of building X to use as decant space.

**Table 3.3.1: Initiative Dependencies**

| **Dependencies** | |
| --- | --- |
| D1. |  |
| D2. |  |

# Impact of the Change

Guidance

* The impact of the change provides an indication of the scale of the initiative in terms of who it will impact upon.
* If the initiative is complex, you may need to consider whether or not you have appropriate governance for bespoke elements of the initiative, e.g. operating model/plans, marketing, managing cultural aspects, business process improvement, etc.

**Table 4.1: Impact of Change**

| **Change Area** | **Impact H/M/L** | **Description** |
| --- | --- | --- |
| People |  |  |
| Processes |  |  |
| Systems/ Technology |  |  |
| External Impact |  |  |
| Sustainability |  |  |
| Add more rows if needed |  |  |

# Scope of High-level Outline Solution

Guidance

* Provide a description of the outline solution to address the objectives.
* This solution may change as the initiative develops but this allows the development of an outline capital cost for planning purposes.

**Table 5.1: Scope of High-level Outline Solution**

| **Activity or Scope** | **Description** |
| --- | --- |
|  |  |
|  |  |
|  |  |

# High-level Cost Estimates



Guidance

* Confirm the proposed funding sources for the initiative and the anticipated amount.
* If there are opportunities for external funding, confirm the funding source.
* If there is no opportunity for external funding then explain why



## Funding Estimates

**Table 6.1.1: Funding Opportunities**

| **Proposed Source of Funding** | **Amount (£k)** | **Key Dates** | **Comments** |
| --- | --- | --- | --- |
| University Capital Programme |  |  |  |
| Faculty Capital Contribution |  |  |  |
| Service Capital Contribution |  |  |  |
| ISPG |  |  |  |
| Strategic Development Fund |  |  |  |
| External Funding – please specify |  |  |  |
| Other – please specify |  |  |  |
| **Total Funding** |  |  |  |

## High-level Financial Estimates

Guidance

* Provide an estimate of the cost of the initiative. This will be the best estimate considering all information currently available.
* Any assumptions associated with this cost should be captured in section 3.1.
* As a pre-feasibility proposal, you may wish to consider including a higher level of risk contingency until you have a more defined solution.

The high-level costs for the outline solution identified in section 5 are as follows:

|  |  |
| --- | --- |
| **Estimated Total Initiative Cost (£k)** |  |
| **Estimated Cost to Progress to Prima Facie Business Case (£k)** |  |
| **Estimated Cost to Progress to Full Business Case (£k)** |  |
| **Annual Recurrent Costs (Post-initiative) (£k)** |  |
| **Potential Cost Savings (£k)** |  |

Guidance

* Indicate the anticipated key dates based on the delivery of the current proposed solution.
* These dates could change depending on the design development phase.
* Key funding dates that relate to the initiative should be shown in table 7.1 below, for example, grant funding commitments that require the system or building to be operational by a specified date.

# High-level Timescales

**Table 7.1: Estimated Key Dates**

| **Key/Milestone Date(s)** | **Description** | **Date** |
| --- | --- | --- |
| Key Funding Date(s) |  |  |
| Initiative Start |  |  |
| Prima Facie Approved |  |  |
| Full Business Case Approved |  |  |
| Detailed Design Complete |  |  |
| Contractor Appointed |  |  |
| Start Test and Deliver/Start on Site |  |  |
| Go Live/In Use |  |  |
| Post Initiative Review |  |  |

# Appendices

**Table 8.1: Appendices to Support the Strategic Outline Case**

Guidance

* The University’s convention is to annex key documents that support the main paper and name them in the bottom left of the main paper. It is recommended to include the following documents as an annex:
  + Risk Register
  + Financial KPIs
  + Key Criteria Options Analysis
* Any other documents that are referenced in the business case should be included in table 8.1 as appendices. Examples could include:
* Benefits diagram.
* Transformation map.
* Market analysis.

| **Appendix Number** | **Description** |
| --- | --- |
| 1 |  |
| 2 |  |
| 3 |  |