

5 CASE MODEL AND OGC GATEWAY REVIEW APPROACHES

1. 5 Case Model

- 1.1. The 5 Case Model approach provides a structure to arrive at the best possible investment decision through considering each stage of an investment proposal from five interdependent dimensions, as summarised in the table below:

Case	Question	Evidence
Strategic	Why do we need to undertake this investment?	What measurable benefits will the proposal deliver for our communities? What is the case for change which is driving the investment proposal?
Economic	How will the investment deliver best value?	What options have been considered to deliver the desired outcomes (not just outputs)? How does the proposal balance in terms of cost, risk and benefit?
Commercial	How commercially viable is the investment proposal?	What are the proposed contractual / procurement arrangements? How competitive a deal can be secured?
Financial	Is the investment proposal affordable?	Have all requirements been costed and are the costs realistic? Will the proposal generate any savings /income?
Management	Is the investment proposal achievable?	What skills /resources/systems/processes are required to develop and operationally deliver?

- 1.2. As an investment proposal develops each of the five cases will be populated with more detailed and refined information. The normal development of an investment proposal involves the development of a:
- Strategic Business Case (SBC), a relatively high-level document whose focus is on the strategic rationale for undertaking the investment, it would be expected that the following information would be contained within an SBC.

Strategic Business Case				
Strategic Case	Economic Case	Commercial Case (for preferred option)	Financial Case	Management Case
Rationale for the project	The preferred way forward (what to expect when developed into options appraisal)	Procurement Strategy (preferred)	Indicative financial implications of the proposed investment (feasibility)	Link to Corporate Strategy/Asset Management Plans/Local Development Plans/BMP etc
The case for change - business need	Indicative Cost and Phasing			Senior Responsible Owner

5 Case Model – indicative contents of Strategic Business Case

- Outline Business Case (OBC) this further develops the cases for the investment, in particular, through the Economic Case, a number of options to deliver the desired strategic outcomes will be considered.

Outline Business Case				
Strategic Case	Economic Case	Commercial Case (for preferred option)	Financial Case	Management Case
Project Objectives	Critical Success Factors	Procurement Strategy	Capital and Revenue Requirements	Programme and Project Management Methodology
Existing Arrangements	Options	Risk Transfer	Net Effect on Prices	
Business Needs	Preferred Option	Personnel Implications	Impact on Balance Sheet	
Potential Scope		Accountancy Treatment	Impact on Revenue Budget	
Strategic Risks			Funding Mechanisms and Affordability	
Constraints				
Consultation				
Dependencies				
Impact on Communities				
Sustainability				
Inclusion and Equality				
Resource Efficiency				

5 Case Model – indicative contents of Outline Business Case

- Full Business Case (FBC). When a preferred option is agreed, each of the cases will be further developed in detail to produce a Full Business Case (FBC): a completed FBC represents an investment proposal which is ready to go to the market.

Full Business Case				
Strategic Case	Economic Case	Commercial Case (for preferred option)	Financial Case	Management Case
Project Objectives	Critical Success Factors	Procurement Strategy	Capital and Revenue Requirements	Programme and Project Management Methodology
Existing Arrangements	Options	Service Requirements	Net Effect on Prices	Programme and Project Management Plans
Business Needs	Preferred Option	Charging Mechanism	Impact on Balance Sheet	Use of Specialist Advisors
Potential Scope		Risk Transfer	Impact on Revenue Budget	Change and Contract Management Arrangements
Strategic Risks		Key Contractual Arrangements	Funding Mechanisms and Affordability	Benefits Realisation
Constraints		Personnel Implications		Risk Management
Consultation		Accountancy Treatment		Post Implementation Evaluation Agreements
Dependencies				Contingency Arrangements
Impact on Communities				
Sustainability				
Inclusion and Equality				
Resource Efficiency				

5 Case Model – indicative contents of Full Business Case

- 1.3. Developing an investment proposal to Full Business case through the Five Case model allows for the ongoing and consistent challenge and scrutiny of the proposal to ensure it continues to represent Best Value.
- 1.4. Ongoing challenge and scrutiny of investment proposals will be undertaken through the agreed Gateway Review process.

2. Gateway Review Process

- 2.1. Gateway Reviews are a series of points on the timeline of an investment proposal at which that proposal is subject to objective challenge and scrutiny, to ensure it continues to represent Best Value for delivering stated and measurable outcomes.
- 2.2. In addition, at any stage investment proposals can be subject to interim gateway reviews – normally this would be in reaction to a change in the scope/budget or timeline of a proposal (outwith agreed tolerances).
- 2.3. The Council has operated an informal Gateway Review process through the scrutiny and assessment of outline business cases and the ongoing monitoring of capital projects.
- 2.4. The Office of Government Commerce (OGC) formal Gateway Review process, which provides a close match the Council's informal process, has been refined to more closely match the Council's requirements
- 2.5. The process introduces 1 formal programme gateway and 5 formal project gateway stages which will provide consistent assessment points through the lifetime of programmes and projects:

Gateway	0	1	2	3	4	5
Title	Strategic Assessment (for programmes only)	Strategic Business Case justification	Outline Business Case Justification	Full Business Case Justification	Readiness for Handover to the Council	Operations review & benefits realisation
Purpose	The need for the programme and its ability to delivered desired outcomes is confirmed.	That the business requirement can be delivered; affordability, achievability and value for money established	That the outline business case is appropriate for the desired business change.	That the project is still required, affordable and achievable; implementation plans are robust; investment decision is appropriate	That the Council is ready to make the transition to implementation. Ownership and governance are in place for operation	To confirm smooth operation, delivery of outputs, and achievement of benefits

- 2.6. The process also allows for reactive and interim gateway reviews to be carried out at any point on a programme or project timeline.
- 2.7. It is explicit in the Strategic Capital Investment Planning Framework that the continued development of any investment proposal which no longer appears to represent Best Value will be challenged no matter what point it is at on its development timeline.