# Annex 4: Options framework – worked example (SOC stage)

**Please note that the issues covered are indicative only. Each project will have different options, different service delivery requirements etc.**

**1.1 The long list options**

The long list of options was generated by a Welsh-medium Review workshop in 2013, which included a range of external stakeholders. Each option was evaluated against the investment objectives and the extent to which it met the Critical Success Factors. This results in options either being discounted, carried forward for further consideration in the short list or identified as a preferred way forward.

The options framework was used to identify the widest possible number of feasible options, focussing on the following key dimensions: scope, service solution, service delivery, implementation and funding.

These are considered with Investment Objectives and Critical Success Factors:

**1.2 Investment objectives**

1. To ensure that there are sufficient places in Welsh-medium primary school education to meet the current projected increase in demand by 2015.
2. To deliver Welsh-medium education in buildings that meet the aspirations of the Local Authority Sustainable Communities for Learning Strategic Outline Programme and the Primary School Organisation Policy, by 2015.
3. To ensure that the highest quality teaching and learning of Welsh-medium primary education to take place in the area, by 2015.
4. To ensure that Welsh-medium primary education in the catchment is delivered in a way that is cost-effective and maximises resources, by 2015.
5. To increase the number of pupils accessing primary Welsh-medium education provision in the area, by 2015.

**1.3 Critical success factors**

1. Is the proposal strategically aligned?
2. Does the proposal represent value for money?
3. Is the proposal politically / socially acceptable?
4. Is the proposal deliverable?
5. Is the proposal affordable?

**2.1 Scope**

This section examines the main options in relation to the service scope of the proposal which are as follows:

* Status Quo - maintain current provision of Welsh-medium education in the area to 190 places
* Do Minimum – provide an increased capacity of Welsh-medium education in the area to 210 places
* Intermediate – provide an increased capacity of Welsh-medium education in the area to 240 places plus pre school provision
* Do Maximum – provide an increased capacity of Welsh-medium education in the area to 270 places and provide pre school provision / community facilities.

**2.2 Advantages and disadvantages analysis**

* Status Quo – although this option keeps costs to a minimum, it does not meet the strategic objectives of the local authority or the Welsh Government and will not meet demand for Welsh medium places in the area.
* Do Minimum – although this option does largely minimise costs, the increase in places is not sufficient to meet the short term demand for Welsh medium education in this area.
* Intermediate – Will meet short term demand for Welsh places in the area, however, it will not meet the medium to long term demand.
* Maximum – Will meet the demand in the medium-long term, however, is more expensive.

**2.3 Conclusions**

The table below summarises how well the above options meet the investment objectives and the Critical Success Factors agreed for the scheme.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Status quo** | | | | | **Do minimum** | | | | | | **Intermediate** | | | | | **Maximum** | | | | |
| **Scope** | Maintain capacity of 194 places | | | | | Increased capacity to 210 places | | | | | | Increased capacity to 240 places | | | | | Increased capacity to 270 places | | | | |
| **Investment objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |
| **Critical Success Factors** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |

On the basis of the above analysis, the preferred way forward is the maximum option, as this meets all the investment objectives and CSFs, strongly in most cases. The remaining options do not fully meet the spending objectives and are therefore discounted.

**3.1 Service solution**

This section examines the main options in relation to the service solution of the proposal which are as follows:

* Status Quo – leaving the existing school unchanged and handling demand for Welsh Medium primary education on an ad-hoc basis by providing transport to the nearest alternative Welsh Medium School.
* Do Minimum– Maintain primary education on current site replacing mobile classrooms and refurbishing permanent buildings.
* Intermediate – Use existing school buildings of acceptable condition and construct one new block that will increase capacity.
* Do maximum–Entire school rebuilt.

**3.2 Advantages and disadvantages analysis**

* Status Quo – although this option reduces capital requirements the school will be physically too small to meet requirements.
* Do Minimum – this option also reduces capital requirements, however capacity of the school remains an issue.
* Intermediate – Most cost effective option as some existing buildings are in acceptable condition.
* Do Maximum – New build on site is more expensive than intermediate and will result in replacement of some existing good condition buildings.

**3.3 Conclusions**

The table below summarises how well the above options meet the investment objectives and the Critical Success Factors agreed for the scheme.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Status quo** | | | | | **Do minimum** | | | | | | **Intermediate** | | | | | **Maximum** | | | | |
| **Service** | School unchanged | | | | | Refurbishment | | | | | | Refurbishment plus one new building | | | | | New build | | | | |
| **Investment objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |
| **Investment Objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |

On the basis of the above analysis the preferred way forward is the Intermediate option

As maintaining the status quo would not be acceptable, the do minimum option is carried forward as the benchmark for value for money.

The do maximum option is discounted as it is not deliverable or affordable.

**4.1 Service delivery**

This section examines the main options in relation to the service delivery of the pre school provision. Currently, pre-school is outsourced to a third sector provider, with the school services delivered by in-house staff.

* Status Quo – see intermediate
* Do Minimum– bring provision of pre-school services in house.
* Intermediate – is in fact the current status quo and benchmark for change – the existing arrangements are that a third sector Welsh-medium pre-school provider is used.
* Do Maximum– outsource both pre-school and school service provision

**4.2 Advantages and disadvantages analysis**

* Do Minimum – Provides the Local Authority with greater degree of control over the quality and resourcing of the pre-school service, but puts that Local Authority in charge of service delivery when it may not be the most appropriate party.
* Intermediate – Decreases the control that the Local Authority has over pre-school services, but offers a tried and tested solution which has yielded successful results to date.
* Do Maximum – Simplifies the provision of school services for the Local Authority, however it relinquishes too much control over the services provided.

**4.3 Conclusions**

The table below summarises how well the above options meet the investment objectives and the Critical Success Factors agreed for the scheme.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Status quo** | | | | | **Do minimum** | | | | | **Intermediate** | | | | | **Maximum** | | | | |
| **Service delivery** | see intermediate | | | | | bring provision of pre-school in house | | | | | Mixed provision | | | | | outsource both pre-school and school service provision | | | | |
| **Spending objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CSFs** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

On the basis of the above analysis, the preferred way forward is the intermediate option.

**5.1 Implementation**

This section examines the main options in relation to the implementation of the proposal which are as follows:

* Do Minimum – Deliver the scheme by September 2016
* Intermediate – to deliver the scheme by March 2016 **–** this would take an additional 6 months minimum to deliver with additional expense and potential stakeholder problems
* Do maximum – to deliver the scheme by September 2015

**5.2 Advantages and disadvantages analysis**

* Do Minimum - reduces the risk of the scheme by allowing time and space to re-procure the scheme, however, this option also delays the benefit of a much needed school, and does not address capacity issues quickly enough.
* Intermediate – Allows proportionate amount of time to procure, but still potentially delays the much needed school and is not acceptable to stakeholders.
* Do Maximum – the school is delivered sooner, however, there is no scope to re-design the school to deliver additional cost savings.

**5.3 Conclusions**

The table below summarises how well the above options meet the investment objectives and the Critical Success Factors agreed for the scheme.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Status quo** | | | | | **Do minimum** | | | | | **Intermediate** | | | | | **Maximum** | | | | |
| **Implement** | n/a | | | | | to deliver the scheme by September 2016 | | | | | to deliver the scheme by March 2016 | | | | | to deliver the scheme by September 2015 | | | | |
| **Spending objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CSFs** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Do Maximum is the preferred option. This is the option favoured by stakeholders and will deliver the provision the soonest.

**6.1 Funding**

This section examines the main options in relation to the funding of the proposal which are as follows:

* Do Minimum – use of entirely Local Authority funding
* Intermediate – blended funding package (Local Authority and Welsh Government)
* Do Maximum – use of entirely external funding sources (including Welsh Government)

**6.2 Advantages and disadvantages analysis**

* Do Minimum – The main advantage of this approach is that it affords full control of the investment to the Local Authority, however, it is not affordable.
* Intermediate – This option is affordable, however, investment is potentially delayed as a result of the application process.
* Do Maximum – The advantage is that it does not impact on the Local Authority budget, however, this is not aligned with policy and funders are not available to enable delivery.

**6.3Conclusions**

The table below summarises how well the above options meet the investment objectives and the Critical Success Factors agreed for the scheme.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Status quo** | | | | | **Do minimum** | | | | | **Intermediate** | | | | | **Maximum** | | | | |
| **Funding option** | - | | | | | use of entirely Local Authority Funding | | | | | blended funding package (Local Authority and Welsh Government) | | | | | use of entirely external funding sources (including Welsh Government) | | | | |
| **Spending objectives** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **CSFs** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** | **1** | **2** | **3** | **4** | **5** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

On the basis of the above analysis, the preferred way forward is intermediate, as this is achievable and meets all the requirements. As the other options do not meet critical success factors, they are discounted.

**7.1 Summary of the short list**

Each of the above elements of choice (scope, service solution, delivery, implementation and funding) enables a rational short list to be compiled based on this preliminary analysis, to identify viable options for further detailed economic analysis, which enables the preferred option to be selected. This forms the basis for the rest of the business case – the detail of the commercial, financial and management cases is entirely focused on delivery of the preferred option.

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| --- | --- | --- | --- | --- |
|  | Least Ambitious Intermediate More ambitious | | | |
| Scope | 194 place | 210 place | 240 place | 270 place |
| Service Solution | Transport | Refurbishment | Partial new build | New build |
| Delivery |  | In house | Mixed | Outsource |
| Implementation |  | September 2016 | March 2016 | September 2015 |
| Funding |  | Local Authority | Local Authority plus Welsh Government | Welsh Government plus external funding |

The agreed short listed options have been re-named (options 1-4). These fully describe the scenarios which are subjected to economic analysis in the Economic section of the Outline Business Case. They are as follows:

**Option 1: Status quo/do minimum (benchmark for value for money)**

* continue to provide Welsh-medium education area at the current capacity level of 194 places on the existing site
* replace existing mobile classrooms and refurbish the permanent blocks
* offer places at the closest Welsh-medium schools/streams to those additional pupils who require Welsh-medium provision and fund/provide transport
* continue with mixed service provision, with a third sector Welsh-medium pre-school provider providing pre-school services
* Paid for with existing Local Authority budgets

**Option 2: Less ambitious way forward**

* To provide Welsh-medium education in the area to a capacity level of 270 places, with flexibility to expand to 300
* Partial new build (without Early Years and Community provisions)
* Mixed service provision
* Facility to be delivered by March 2016
* Local Authority and Welsh Government Funding.

**Option 3: Preferred way forward**

* To provide Welsh-medium education in the area to a capacity level of 270 places, with flexibility to expand to 300
* Partial new build with integrated Early Years Facility and Community/Multi-agency provision
* Mixed service provision
* Facility to be delivered by September 2015
* Local Authority and Welsh Government funding.

**Option 4: Alternative way forward (PWF but with re-procurement)**

* To provide Welsh-medium education in the area to a capacity level of 270 places, with flexibility to expand to 300
* Mixed service provision
* Facility to be delivered by September 2016 to enable re-procurement activity to explore opportunity to reduce build costs
* Local Authority and Welsh Government funding