Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SCIM for Tertiary Education Institutions: Guidance Document

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Summary: This guidance explains how Scotland's colleges and universities should develop and submit capital investment proposals through the Scottish Capital Investment Manual (SCIM). More detailed work is currently underway and this guidance provides help to tertiary education bodies until the more detailed work is completed.

Further Information: estates@sfc.ac.uk

This working guidance supports the continuing development of SCIM for tertiary education institutions. Statements of Need should reflect projects identified through Baseline 2026 and included in institutions' Infrastructure Strategies. The guidance and accompanying templates are still evolving will be updated periodically.

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1.0 Purpose, scope and how to use this guidance

1. The Scottish Capital Investment Manual (SCIM) for tertiary education institutions is the business case process for capital investment in Scotland's colleges and universities. This version is to provide guidance to institutions in the short-term until further work on the process is completed.

2. SCIM is based on the HM Treasury Green Book approach to capital investment and draws on other relevant guidance. Further information is available in The Green Book and accompanying guidance - GOV.UK.

3. SCIM develops a pipeline of projects at different stages of readiness for future investment. It does not constitute a funding decision. Funding remains subject to strategic priorities, affordability, project readiness and the availability of capital funding.

4. Business cases develop progressively through SCIM, with evidence and analysis proportionate to the proposed investment's scale, complexity and risk.

5. Traditional capital investment processes emphasise physical, place-based investment. SCIM for tertiary education also encompasses digital infrastructure, decarbonisation and climate adaptation. The 2026 Green Book update also emphasises the outputs and benefits of planned investment.

6. SCIM uses investment themes and options to focus capital investment on Scottish Government priorities and changing curriculum and teaching needs. Proposals should explain how investment supports industry skills, employers' needs and pathways to employment, while meeting the needs of students, staff and funders and contributing to the future economy.

7. The process aims to improve cost certainty and infrastructure delivery through structured investment appraisal.

8. Projects may progress only when they meet the evidence and appraisal requirements for the relevant stage. This supports early identification and management of risks that could increase costs or delay delivery.

9. Business cases submitted to SFC through SCIM will reflect projects identified through Baseline 2026 and are expected to be included in each institution's Infrastructure Strategy.

10. Use Sections 2–4 to understand the process and templates; Sections 5–6 for responsibilities and the Statement of Need; Section 7 for proportionality; Section 8 for submission and appraisal arrangements; and Sections 9–12 for the five cases and stage-specific evidence.

1.1 Reader guide and terminology

Table 1: Reader guide to the SCIM guidance

Task	Where to look
Understand the route and obtain the right documents	Section 2: entry point, stages and outcomes; Section 3: templates, workshops and assurance gates.
Prepare an eligible, institutionally endorsed proposal	Section 4: preparation; Section 5: responsibilities; Section 6: Statement of Need; Section 7: eligibility and proportionality.
Submit a proposal and respond to appraisal	Section 8: submission, timing, feedback and progression.
Develop the required evidence	Section 9: the Five Case Model; Sections 10–12: SOC, OBC and FBC.

Terms used in this guidance: "Institutions" means Scotland's colleges and universities. The Statement of Need (SoN) is the entry point. The three business case stages are the Strategic Outline Case (SOC), Outline Business Case (OBC) and Full Business Case (FBC). Each addresses the Strategic, Economic, Commercial, Financial and Management Cases. Workshops support development; assurance gates provide review points. A project pipeline records proposals at different stages of readiness. Portfolio prioritisation considers their relative priority, timing and funding separately from stage appraisal. Baseline 2026 is the starting assessment of infrastructure condition and need (Section 5). The Infrastructure Strategy sets the strategic context; the Infrastructure Investment Plan records planned investment within it.

2.0 The SCIM route: entry point, stages and outcomes

11. SCIM provides a consistent method for developing and appraising capital investment proposals. The table below summarises the entry point, stages and outcomes.

12. Institutions must follow the defined sequence, complete the required steps and provide evidence that the relevant issues have been considered. Any combined-stage route is subject to SFC agreement under Section 7.

13. Workshops support the relevant stages and cases, as set out in Section 3.

14. Institutions must manage existing infrastructure and plan investment to meet changing education and skills needs. Proposals should be consistent with the institution's Infrastructure Strategy and business plans. Section 2.1 explains how SCIM appraisal relates to the separate prioritisation and funding processes.

Table 2: SCIM stages, responsibilities and outcomes

	Stage	Description	Institution	SFC	Outcome
Strategy	Statement of Need (SoN)	Institution identifies "need" derived from Infrastructure Strategy and completes SoN. Short form responses to establish "need" and investment proposal.	Prepare and submit the SoN to SFC.	SFC assesses the SoN against published criteria and provides feedback on whether it is accepted for further development through SCIM.	Portfolio of potential projects established. Projects meeting the required threshold and evidence standard may progress to the next stage, subject to available resources and SFC priorities.
Programme and Project	Strategic Outline Case (SOC)	The SOC details the strategic outline for an infrastructure investment and specific information to make the strategic case for investment.	Primary focus on (1) Strategic Case – the case for change and (2) Economic Case to explore and identify a preferred way forward.	Appraisal of the SOC and feedback on whether the project may progress to OBC.	Strategic fit, case for change and preferred way forward assessed.
	Outline Business Case (OBC)	The purpose of the OBC is to plan the project and to identify the preferred option and arrangements for procurement and the successful delivery of the project.	Refresh Strategic and Economic cases from SOC and develop (3) Commercial, (4) Financial and (5) Management Cases	Appraisal of the OBC and feedback on whether the project may progress to FBC.	Preferred option, feasibility, procurement and delivery arrangements assessed.
	Full Business Case (FBC)	Present the complete, validated business case for investment, with confirmed evidence supporting a separate investment decision.	Select the most economically advantageous tender and establish management arrangements to deliver the project's outputs and activities.	Confirm whether the business case is investment ready and may be presented for a separate investment decision, subject to governance and available funding.	Final business case assessed for affordability, deliverability and investment readiness.

2.1 SCIM and Portfolio Prioritisation

15. SCIM provides the framework for developing and appraising individual projects. Separately, SFC will maintain a portfolio of potential and investment-ready projects to support infrastructure planning. Decisions on relative priority, timing and funding of projects will be considered through wider governance, affordability and investment planning processes.

16. Use Section 8 for submission arrangements and indicative timescales. Stage appraisal establishes whether a proposal meets the relevant evidence requirements; portfolio prioritisation considers relative priority, timing and funding.

3.0 Templates, workshops and assurance gates

17. The SCIM document set provides templates, guidance and tools for preparing and presenting investment business cases.

18. Use the relevant stage template to present the business case in a consistent structure.

19. The table below distinguishes the templates, workshops and assurance gates associated with each stage.

20. Institutions may select supporting content and remove inapplicable template guidance. Explain why any omitted material is unnecessary. Removing guidance text is not the same as omitting a required response: institutions must still complete the steps and provide the evidence required for the agreed route.

21. Completing the required steps and workshops helps institutions prepare evidence efficiently and reduces reworking caused by missing detail or an unclear response to the identified need.

Table 3: Templates, workshops and assurance gates by stage

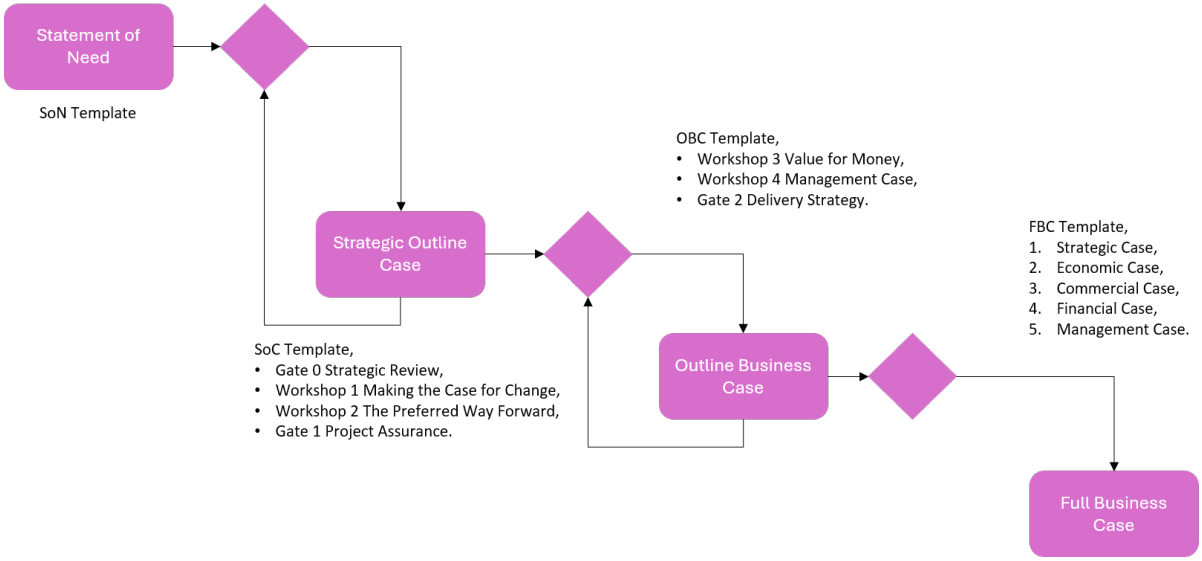
Stage	Stage focus	Content
Statement of Need (SoN)	Concept	• Statement of Need developed for programme or projects.
Strategic Outline Case (SOC)	Case for change and preferred way forward	• Template: SOC. • Workshops: 1 – Making the Case for Change; 2 – The Preferred Way Forward. • Assurance: Gate 0 – Strategic Assessment; Gate 1 – Project Assurance, including a review of the project.
Outline Business Case (OBC)	Preferred option and delivery strategy	• Template: OBC. • Workshops: 3 – Value for Money; 4 – Commercial Agreement; 5 – Management Case. • Assurance: Gate 2 – Delivery Strategy.

Full Business Case (FBC)	Final proposal and investment readiness	• Template: FBC. • Assurance: Gate 3 – Investment Decision.

22. The SCIM for tertiary education institutions document set and templates can be downloaded from SFC's website www.sfc.ac.uk

4.0 Preparing a proposal

23. Before preparing the SoN, locate the proposal within the institution's Infrastructure Strategy and business plans. The Infrastructure Strategy provides the strategic context; the Infrastructure Investment Plan sets out planned investment within that context. Section 5 explains the institution's responsibilities for maintaining these documents.



24. Engage key stakeholders in defining the need and intended outcomes. Use the SoN to establish whether the proposal merits further development, following the sequence in Section 2.

25. Institutions should apply their own governance and prioritisation arrangements before submitting a project to SCIM. Different projects may be at different stages of development and maturity as they move through the process.

26. Institutions should allow sufficient time for business case development, internal governance, submission and appraisal.

27. Large, complex projects will undergo the full process and require supporting information and data appropriate to the investment.

28. Discuss the project's scale, complexity and risk with SFC so that the appropriate route and proportionate evidence requirements can be agreed under Section 7.

5.0 Roles and Responsibilities

29. Institutions are responsible for developing their Infrastructure Investment Plans within their Infrastructure Strategies and business plans, and for preparing proposals through SCIM. SFC assesses submissions, provides feedback and confirms whether proposals may progress, as described in Sections 6 and 8.

30. Institutions must review and update these documents periodically. They must identify infrastructure that is deteriorating, constrains development, lacks capacity or is no longer fit to meet current and future demand. Plans should cover physical and digital infrastructure, decarbonisation and adaptation.

31. Baseline 2026 provides the starting assessment of infrastructure condition and need. It informs decisions to maintain existing assets, divest uneconomic or end-of-life assets, and develop infrastructure to meet future demand.

32. Senior leaders should commit to developing and delivering their institution's Infrastructure Strategy and fulfilling the duty of care to provide safe, healthy and inclusive learning environments for students and staff.

5.1 Responsibilities and decision boundaries

Table 4: Responsibilities and decision boundaries

Activity	Responsibility stated in this guidance	Decision boundary
Prepare and endorse proposals	The institution maintains its strategies and investment plans, prepares evidence and secures Board sign-off before submission.	Institutional endorsement precedes submission; it is not SFC appraisal or a funding decision.
Assess the SoN and agree the route	A multidisciplinary stakeholder panel assesses SoNs against published criteria. SFC registers submissions, provides feedback and agrees the route for proposals taken forward.	Acceptance permits further development; it does not prioritise or fund the project.
Appraise SOC, OBC and FBC	SFC appraises each agreed stage, records the outcome and communicates whether progression is permitted and what further work is required.	The allocation of recommendation and approval authority between the panel, committee and other governance bodies remains to be confirmed.

Maintain project status	The institution updates its project pipeline and Navigator records. SFC maintains the sector pipeline and appraisal records.	Pipeline inclusion records readiness; it does not assure funding.
Make the investment and funding decision	The completed FBC is presented through the separate investment decision process.	The approving authority requires confirmation. Decisions remain subject to governance, affordability, priorities and available funding.

6.0 Statement of Need

33. The Statement of Need provides a short summary of the infrastructure need. It establishes whether the proposal is consistent with the institution's Infrastructure Strategy and merits further development through SCIM.

34. The SoN is the entry point to SCIM, not a funding application. Acceptance does not mean that a project has been prioritised or approved for funding. Institutions must use SFC's SoN template and prepare responses in the prescribed format.

35. The key steps are:

6.1 Submission and assessment sequence

- Initial engagement and discussion with SFC.
- The institution prepares the Statement of Need.
- The institution submits the SoN to SFC.
- SFC registers each SoN and assigns a unique reference.
- SFC acknowledges receipt and confirms registration.
- A stakeholder panel representing relevant disciplines assesses SoNs consistently against published criteria.
- SFC aligns SoN reviews with Capital Committee meetings.
- SFC records the assessment outcome for each proposal, including its wider social, economic and environmental benefits and the institution's role as an anchor institution.
- SFC provides the institution with feedback on the outcome.

36. Use the submission arrangements in Section 8 to plan institutional endorsement, submission and appraisal.

37. SFC will assess SoNs against published criteria and, where a project is taken forward, agree the appropriate route through SCIM based on its value, risk and complexity. SoNs can cover Physical, Digital, or Decarbonisation and Adaptation investment.

7.0 Eligibility and proportionate appraisal

38. SCIM is intended for high-value capital infrastructure investment, with proportionate routes for eligible lower-value proposals.

39. SCIM for tertiary education institutions is not intended for projects that should be funded from existing capital and maintenance budgets.

40. High risk and high value investment projects will be subject to all three SCIM stages.

41. SFC may agree to combine stages for lower-risk, lower-value projects, taking account of its priorities. Combined stages retain proportionate scrutiny while avoiding unnecessary delay.

42. Proportionality applies to both appraisal and the evidence institutions provide. The quantity of information and depth of analysis should reflect the project's value, complexity and risk. Combining stages does not remove the requirement to address all five cases.

43. SFC determines the proportionate route at the SoN stage when deciding whether a proposal may proceed through SCIM.

44. Use the cost and risk criteria below to inform discussion with SFC. Table 5 illustrates matching high, medium and low categories; it does not resolve every mixed cost/risk combination. SFC determines the route at SoN stage.

7.1 Indicative routes

Table 5: Indicative SCIM routes by cost and risk

Cost	Risk	SCIM route
High	High	All SCIM stages apply and cases developed progressively in each stage.
Medium	Medium	SCIM stages may be combined and all cases apply.
Low	Low	One combined stage but all cases apply.

7.2 Cost and risk scoring

45. Assess project cost and risk separately using Table 6. Multiply the two scores and consult Table 7 before discussing the appropriate route with SFC.

46. The cost bands below are retained as drafted. Their shared boundaries at £2 million, £5 million and £20 million require policy clarification; do not infer which band applies at those values.

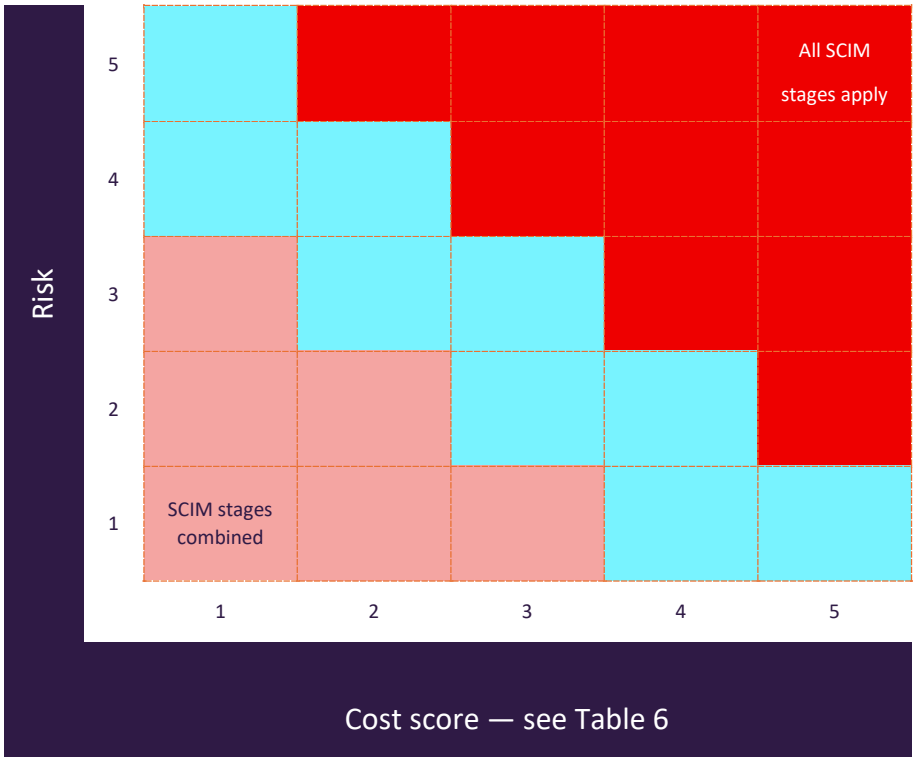
Table 6: Cost and risk scoring criteria

Score	Cost (Low to High) £M	and Risk (Low to High)
1	0 to 2	Traditional approach, low complexity, clear delivery plan and approach, resources available.
2	2 to 5	Traditional approach and low complexity, deliverable project.
3	5 to 20	Traditional project and mature contractor and supply base in place with some complex but manageable features.
4	20 to 50	Complex project, multiple stakeholders, high dependencies and risks associated with the project and innovative approach.
5	Over 50	Novel or untested approach, high levels of complexity and stakeholder management, largely untested in terms of technology, funding or delivery.

47. The cost and risk scores, each ranging from 1 to 5, are multiplied to give the overall project score. Higher-scoring projects undergo all three stages. SFC may agree combined stages for lower-cost, lower-risk projects to avoid disproportionate effort and delay.

7.3 Route matrix and examples

Table 7: Risk–cost matrix for indicative SCIM routing



48. A risk score of 5 and cost score of 5 give an overall score of 25, requiring all three stages.

In Table 7, red cells indicate all stages; pink cells indicate combined stages; blue cells require discussion with SFC. The score alone does not settle the route for mixed cost/risk combinations.

49. For example, a risk score of 3 and a cost score of 1 produce an overall score of 3. Stages may be combined subject to SFC agreement.

50. This approach aligns appraisal effort, cost and timescales with the investment's value and risk.

8.0 Submission, appraisal and progression

8.1 Submission arrangements

51. Before submission, secure the required Board endorsement and use the relevant template from www.sfc.ac.uk. Send completed submissions to estates@sfc.ac.uk. Section 8.2 brings together preparation, appraisal, feedback and progression. Review cycles and indicative timescales are planning assumptions; confirmed submission deadlines remain subject to policy confirmation.

52. SFC manages and administers SCIM, including timelines, milestones, templates, supporting documents, training and the submission mailbox. It receives submissions through periodic cycles, assesses SoNs and business cases, records outcomes, updates the sector pipeline and communicates feedback and next steps.

53. Any stage-specific funding support is recorded separately from the appraisal outcome. Its purpose—business case development or project delivery—requires policy confirmation. Progression does not constitute a project funding commitment.

8.2 Chronological workflow

Table 8: Submission, appraisal and progression workflow

Step	Institution action	SFC action or outcome	Timing
1. Establish strategic fit	Maintain an Infrastructure Strategy showing the vision, curriculum needs and future plans. Link each proposed project to an identified problem or opportunity. Record planned	The strategies and plans provide the context for assessment.	A ten-year strategy with a five-year refresh; project records maintained on an ongoing basis.

	projects and their SCIM status in Navigator.		
2. Prepare and endorse the SoN	Engage with SFC, define the need, benefits and intended outcomes, complete the SoN template and secure Board sign-off before submission.	SFC provides templates, supporting guidance and initial engagement.	Project-specific preparation and institutional governance lead times.
3. Submit the SoN	Submit the endorsed SoN using the arrangements in Section 8.1, allowing for the relevant review cycle.	SFC registers the SoN, assigns a unique reference, acknowledges receipt and arranges assessment against published criteria.	Three review cycles each year, aligned with Capital Committee meetings. Exact deadlines require confirmation.
4. Receive the outcome and agree the route	Consider SFC's feedback and, where the SoN is accepted, plan development through the agreed stages.	SFC communicates acceptance or other assessment feedback and agrees a proportionate route based on value, risk and complexity.	Following SoN assessment. Acceptance is not prioritisation or funding approval.
5. Develop and submit the agreed business case stage	Develop all five cases to the required depth, using the stage template, workshops and assurance arrangements. Submit clear analysis and supporting evidence proportionate to cost and risk.	SFC appraises the SOC, OBC or FBC and determines whether the proposal meets the relevant stage requirements.	Submissions align with three Capital Committee meetings each year. Four-month intervals and a twelve-month best-case SOC-to-FBC period are indicative planning assumptions, not guarantees. The twelve-month estimate's start and

			end points require confirmation. Allow separately for case development, institutional governance, assurance and procurement; these depend on the project.
6. Address feedback and maintain status	Address conditions or requests for further evidence. Update the institutional pipeline and Navigator status. Where progression is agreed, maintain a clear plan and timetable and repeat steps 5–6 for the next agreed stage.	SFC records and communicates the appraisal outcome and required next steps, and updates the sector pipeline. Section 9 sets out grounds for non-progression and further work.	After each appraisal and throughout development. Resubmission may be considered at the next periodic appraisal meeting.
7. Present the completed FBC for an investment decision	Submit the FBC with validated and confirmed evidence and management arrangements for delivery.	SFC confirms investment readiness for a separate investment decision. The investment decision is recorded; any funding remains subject to wider governance, affordability, priorities and available capital.	After completion of the agreed business case process. SCIM completion does not assure funding.

8.3 Pipeline and portfolio planning

54. The sector pipeline records potential and investment-ready projects to support longer-term infrastructure planning. Section 2.1 explains the separate process for portfolio prioritisation and funding.

55. This approach is intended to align with longer-term public-sector infrastructure planning. The draft's reference to Scottish Government ten- and thirty-year plans and associated funding requires confirmation; it is not evidence of a funding commitment to SCIM projects.

56. Projects based on institutional need and defined outcomes, and aligned with wider social, economic and environmental policies and priority initiatives, will be prioritised. This prioritisation is separate from stage appraisal and remains subject to the wider processes described in Section 2.1. Clear evidence, robust analysis and proportionate supporting information help demonstrate that a proposal meets the requirements of the relevant SCIM stage.

57. Explain how the proposal aligns with national priorities and contributes to coherent infrastructure investment planning, rather than assuming alignment follows from entry into SCIM.

9.0 The Five Case Model and appraisal outcomes

58. SCIM has three business case stages:

    1. Strategic Outline Case.
    2. Outline Business Case.
    3. Full Business Case.

59. Each stage addresses five cases, with the depth of analysis increasing as the proposal develops:

    1. Strategic.
    2. Economic.
    3. Commercial.
    4. Financial.
    5. Management.

9.1 Appraisal outcomes and further work

60. Progressive development avoids unnecessary cost and effort on detailed work where a proposal does not meet an earlier stage's requirements.

Decision-status clarification: The grounds for non-progression below are retained. Whether a proposal found strategically inconsistent may later be revised and resubmitted requires policy confirmation. This is distinct from returning a case for additional evidence, as described below.

61. Cases will not progress or be considered further if:

- They are inconsistent with the institution's business plan and Infrastructure Strategy.
- They do not reflect Scottish Government policies and priorities.

62. SFC may return a business case for further work where evidence is insufficient. The institution may resubmit it for consideration at the next periodic appraisal meeting, including where:

- One or more of the five cases require further explanation.
- Non-financial benefits, including social, economic and environmental benefits, have not been considered.

9.2 How evidence develops across stages

63. The table below summarises how the evidence for each case develops across the three stages.

Table 9: Development of the five cases across SOC, OBC and FBC

Case	SOC	OBC	FBC
Strategic	Develop	Refine	Finalise
Economic	Develop	Refine	Finalise
Commercial	Outline	Develop	Finalise
Financial	Outline	Develop	Finalise
Management	Outline	Develop	Finalise

64. After each stage, institutions refresh, update or develop the evidence towards the Full Business Case.

9.3 Purpose and content of each case

65. The five cases establish the case for capital investment in physical infrastructure, digital infrastructure, decarbonisation and adaptation.

66. Each case is developed and refined through the SOC, OBC and FBC stages, as summarised in Section 9.

67. For each Case:

Table 10: Purpose and content of the five cases

Case	Description
Strategic	Explain the strategic context and how the proposed investment aligns with the institution's business plan, Infrastructure Strategy and other relevant strategies. Define the case for change, desired outcomes and specific, measurable, achievable, relevant and time-bound (SMART) objectives. Explain the investment required to achieve them. Describe the proposed changes to current arrangements or delivery models. Define the scope, main benefits, risks, constraints and dependencies. The strategic case is focused on students, developing the curriculum and pedagogy and supporting employers and local skills requirements.
Economic	Define the critical success factors and explain what successful investment would achieve. Present the longlisted options and their appraisal. Identify the preferred way forward and explain the rationale for it. Identify the shortlisted options, including the preferred way forward, for further development at OBC. Identify and quantify the costs and benefits of each shortlisted option, stating and explaining the assumptions.
Commercial	Explain the procurement approach, how it will comply with relevant rules and regulations, and how it will deliver the required outcomes. Define how risks will be allocated between the parties. Describe funding arrangements and how commercial relationships and transactions will operate throughout the contract lifecycle. Define roles, responsibilities and contractual relationships. Identify the proposed forms of contract and explain their selection.
Financial	Provide a financial model covering capital and revenue requirements, costs to the institution and any changes to service charges. Explain the impact on the institution's balance sheet, including depreciation, impairment, contingent liabilities and capital charges.

	Explain the impact on income and expenditure, overall affordability, funding sources and how any shortfalls will be covered. Identify other stakeholders, including third-party funding partners, and explain their relationships to the project.
Management	Define governance, roles and responsibilities, the project risk profile and the project management approach. Provide a project plan with key milestones. Identify third-party support, consultants and advisers, including technical and commercial input. Document how changes will be assessed, approved and managed. Define the project's outcomes and benefits, including wider social, economic and environmental benefits. The risk register is an integral part of the governance and project management approach.

10.0 The Strategic Outline Case (SOC)

10.1 Purpose and starting point

68. The SOC develops the Strategic and Economic Cases in detail, building on the accepted SoN, and outlines the Commercial, Financial and Management Cases.

69. The SOC explains the need for change and how the proposal aligns with the institution's business plans, Infrastructure Strategy, related programmes and projects, and wider institutional and sector objectives.

70. Build on the accepted SoN to establish the case for change and the preferred way forward. The supporting template, workshops and assurance gates are set out below.

10.2 Template, workshops and assurance

- SOC template.
- Gate 0 Strategic Assessment.
- Workshop 1 - Making the Case for Change.
- Workshop 2 – The Preferred Way Forward.
- Gate 1 Project Assurance – undertake a review of the project.

10.3 Evidence required

71. The content for each case at the SOC stage includes:

Evidence maturity — policy clarification required: Table 11 retains the draft requirements for cost–benefit ratios, a full economic risk assessment and sensitivity analysis at SOC. Their required depth must be reconciled with progressive appraisal and the OBC shortlist assessment. The intended ratio, treatment of non-monetised benefits and use of "selected option" at SOC also require confirmation. These editorial changes do not resolve or reduce those requirements.

Table 11: Strategic Outline Case requirements and expected evidence

Case	#	Section	Requirement	Evidence expected
Strategic Context	1.1	Strategic Case	**Explain the investment need and supporting evidence. Present a clear, concise business case using the Five Case Model. Define the project and proposed investment, cross-referring to material already provided rather than repeating it.**	The Strategic Case provides a thorough and well developed approach that considers the need for capital investment with a clear link to the reason and purpose of the investment. The Strategic Case is aligned with and provides explicit links to regional and local skills development plans, the institution's strategy and infrastructure strategy and with Scottish Government and SFC defined investment themes and strategic options. **Present the longlisted and shortlisted options, including "do nothing", and explain their relationship to the preferred way forward and intended outcomes.** **Explain the importance and priority of the investment and the financial and non-financial benefits it would deliver.**
	1.2	Case for Change	Describe the case for change and desired outcomes.	Describe the current position, the proposed change and the expected benefits and outcomes. Explain why the proposed approach would improve on current arrangements.

	1.3	Organisation Overview	Provide a brief overview of the institution making the case for infrastructure investment.	Summarise the institution's current circumstances and the evidence underpinning the investment need.
	1.4	Business Strategy and aims	Explain how the project supports the institution's policies, strategies and related programmes and projects.	Reference the relevant institutional policies and strategies and show how the proposal is reflected in the Infrastructure Strategy.
	1.5	Other relevant strategies	Identify other relevant strategies and explain how the project aligns with and supports their objectives.	Reference the relevant strategies and their objectives. Show how the proposal supports those objectives, cross-referring to the Infrastructure Strategy where applicable.
	1.6	Spending Objectives	Describe the Spending Objectives.	The spending objectives are clearly defined in terms of the required infrastructure and what will be delivered and when.
	1.7	Existing Arrangements	Describe the institution's current business-as-usual (BAU) arrangements for the delivery and services covered by the proposed investment.	Describe current delivery arrangements and the limitations or constraints that underpin the investment need.
	1.8	Business Needs - current and future	Specify the institution's business needs in terms of the service improvements required to achieve the agreed spending objectives with a focus on "service gaps".	Define the required service improvements and explain how they relate to investment requirements and spending objectives, including their sensitivity to changes in investment.
	1.9	Scope and Service Requirements	Identify the potential scope for the project in terms of the operational capabilities and service changes required.	Core, desirable and optional outputs and service gaps are defined to meet the purpose and outcomes of the proposed capital investment.
	1.10	Main Benefits	Specify the main benefits associated with the achievements of the project's spending objectives by category, beneficiary and class.	How, when and who will benefit are explained as well as improvements versus current outcomes.

			Distinguish benefits from outcomes.	
	1.11	Main Risks	Specify the main risks associated with the achievement of the project's spending objectives and the proposed counter measures for avoidance, mitigation and management.	Identify risks affecting stakeholders, assign owners and explain mitigation and management measures, including opportunities to eliminate risks through design.
	1.12	Constraints	Specify any constraints that have been placed on the project.	Identify any constraints on the project and explain their implications for the investment.
	1.13	Dependencies	Identify dependencies outside the project's scope that could affect its success.	Identify external dependencies and other issues that could affect success. Explain how each will be managed.
Economic	2.1	Critical Success Factors	Define critical success factors for the project.	State the critical success factors and show how they relate to the investment's purpose and definition of success.
	2.2	Long Listed Options	Identify at least three longlisted options and assess their strengths, weaknesses, opportunities and threats (SWOT).	Present realistic options, including "do nothing" or collaboration as alternative approaches. Apply a consistent SWOT analysis and explain each option's relative merits.
	2.3	Preferred Way Forward (PWF).	Explain how the longlist appraisal supports the preferred way forward. Outline its scope, solution, service delivery, implementation and funding approach.	Identify the preferred way forward and explain how changes in scope and appraisal criteria affect the conclusion.
	2.4	Short Listed Options	Describe the short list to be examined in further detail at the Outline Business Case stage.	Explain the consistent criteria used to select the shortlist from the longlist and show that it contains viable alternatives to the preferred way forward.

	2.5	Cost Benefit	Provide cost–benefit ratios for shortlisted options on a like-for-like basis, considering financial and non-financial benefits where appropriate.	Present the cost–benefit comparison and explain the relationship between expected benefits and required investment. Include financial and non-financial benefits for the institution and wider community.
	2.6	Economic Risk Assessment	Full economic risk assessment for short listed options is provided	Present the optimism bias (OB) allowance, quantify risk in financial terms and record all risks in the risk register. The draft requirement to reduce optimism bias requires clarification of the supporting evidence; a reduction should not be presented as automatic.
	2.7	Sensitivity Analysis	Sensitivity analysis for PWF or selected option.	Present sensitivity testing for the preferred way forward or selected option and explain its implications for the appraisal conclusion.
Commercial	3.1	Overview	Overview of Commercial Case	The Commercial Case provides an overview on commercial issues to be managed including, 1. Procurement Strategy and Route to Market, 2. Outputs, 3. Risk, 4. Commercial Model, 5. Key contractual arrangements.
Financial	4.1	Overview	Overview of Financial Case	The Financial Case provides an overview of Financial issues including, 1. Affordability and Funding, 2. Capital and Revenue requirements, 3. Net Effects, 4. Balance sheet treatment, 5. Income and expenditure, 6. Stakeholder support.

Management	5.1	Overview	Overview of Management Case	The Management Case provides an overview of Management issues including, 1. Governance, 2. Specialist advisors, 3. Change Management, 4. Benefits Realisation, 5. Risk Management, 6. Project Assurance, 7. Contingency Arrangements.

10.4 Submission and appraisal outcome

72. The SOC should provide sufficient evidence for SFC to assess the case for change and determine whether the project may progress to OBC. It should not presume a positive appraisal outcome.

11.0 The Outline Business Case (OBC)

11.1 Purpose and starting point

73. At OBC, institutions should review the SOC evidence and update the following cases where required:

- Strategic Case,
- Economic Case.

74. The OBC identifies the preferred option through further appraisal of the SOC shortlist and sets out the procurement and delivery arrangements.

75. Institutions should develop the three cases outlined at SOC and submit detailed evidence for the:

- Commercial Case.
- Financial Case.
- Management Case.

11.2 Template, workshops and assurance

76. The OBC stage uses the following template, workshops and assurance gate:

- Outline Business Case template.
- Workshop 3 Value for Money.
- Workshop 4 Commercial Agreement.

- Workshop 5 Management Case.
- Gate 2 Delivery Strategy.

11.3 Evidence required

77. Refresh the Strategic and Economic Cases from SOC. The table below sets out the detailed Commercial, Financial and Management Case evidence to develop at OBC.

Table 12: Outline Business Case requirements and expected evidence

Case	#	Section	Requirement	Evidence expected
Commercial	3.1	Procurement Strategy and Route to Market	Explain how the project's outputs and activities will be procured in accordance with relevant rules and regulations. Reference the institution's Infrastructure Strategy and applicable public procurement regulations.	Describe the route to market and justify the proposed procurement procedure, including the use of a suitable existing framework or a tender exercise.
	3.2	Outputs	Identify the project's required outputs and the scope and content of a potential agreement to be made between public and private sector service providers.	Define and quantify the financial and non-financial outputs, explaining how they relate to the proposed agreement.
	3.3	Risk	Identify and categorise risks across design, construction or service provision, funding and operation. Explain how risks will be allocated and mitigated between the public and private sector parties.	Provide lifecycle risks with their category, owner, likelihood, impact and proposed mitigation. Explain how each mitigation addresses the assessed risk.

	3.4	Commercial Model	Explain the investment's expected return, who will fund it and how payments will operate over the contract lifecycle and the infrastructure's economic life.	Set out the financial and non-financial returns at each lifecycle stage. Identify funding parties, payment arrangements and any funding conditions.
	3.5	Key contractual arrangements	Outline the proposed contractual arrangements, form of contract, principal contractual issues, accounting treatment and implications for the institution.	Identify the form of contract and explain why it suits the proposed investment and allocation of risk.
Financial	4.1	Affordability and Funding including Capital and Revenue requirements	Prepare the financial model and appraisals considering affordability and funding requirement. The financial appraisal for the preferred option must be prepared in accordance with the guidance provided in the HM Treasury Green Book. Whole life costs are required. Note: the economic and financial appraisals are treated differently.	Demonstrate affordability by distinguishing initial capital requirements from ongoing revenue and lifecycle costs over the infrastructure's economic life.
	4.2	Net Effects	Explain any implications for the prices the institution charges for its services.	Show the net effects on fees, charges and other income.

	4.3	Balance sheet treatment	Explain the impact on the institution's balance sheet, including depreciation, impairment, contingent liabilities and capital changes.	Present the balance sheet effects and explain the proposed accounting treatment.
	4.4	Income and expenditure	Explain the impact on the institution's income and expenditure account, where applicable.	Show the changes to income and expenditure attributable to the investment and explain the assumptions.
	4.5	Overall affordability and funding	A summary of the overall affordability and funding of the project must be provided, together with an assessment of how any shortfalls in available funding will be covered.	Identify funding shortfalls and explain how they will be covered, including the implications for affordability and risk.
	4.6	Stakeholder Support	Support for investment project.	Identify other public bodies supporting the project and quantify their funding contributions, where applicable.
Management	5.1	Governance	Define the risk profile and register, project roles and responsibilities, and a project plan with key milestones. Identify the skills and external expert advice required.	Provide the governance arrangements and decision-making responsibilities, project plan with key milestones, risk register and assessment of required skills and external advice. Show existing and planned checks and balances.
	5.2	Change Management	Describe how changes would be managed and controlled.	Define what constitutes a change, distinguish the types of change and explain how each will be assessed, authorised and controlled.
	5.3	Benefits Realisation	Provide a benefits register identifying each benefit and its recipients. Quantify benefits where possible and explain	Provide the benefits register, showing each benefit, its recipients and quantification where possible, supported by the arrangements for recording and validating delivery.

		how delivery will be recorded and validated.	
5.4	Risk Management	Provide a Risk Register and incorporate this as part of Project Management and review meetings.	Provide the risk register and the arrangements for using it in project decisions, management and review meetings.
5.5	Project Assurance	Define project assurance arrangements, including stage gates, expert input and timescales for implementation and post-evaluation reviews.	Identify gates and milestones at key points on the critical path, including third-party expertise or validation during implementation and evaluation.
5.6	Contingency Arrangements	Describe contingency plans in the event of disruption to projects or any delays.	Identify plausible disruptions and delays, and set out contingency measures that support project resilience and sustainability.

11.4 Submission and appraisal outcome

78. The OBC should demonstrate whether the preferred option is deliverable, affordable and capable of achieving the required outcomes. SFC's appraisal determines whether the project may progress to FBC; it does not constitute a funding decision.

12.0 The Full Business Case (FBC)

12.1 Purpose and starting point

Build on the appraised OBC to present the final, validated proposal for a separate investment decision. The FBC identifies the most economically advantageous tender and confirms the management arrangements for delivery.

12.2 Template and assurance

79. The FBC stage uses the following template and assurance gate:

- Full Business Case template.

- Gate 3 Investment Decision.

12.3 Evidence required

80. Confirm the selected most economically advantageous tender and the arrangements for delivering the project's outputs and activities.

81. Building on the OBC, update the strategic rationale, economic appraisal, commercial arrangements, affordability assessment and delivery plans to reflect the final proposal.

82. The FBC substantiates all five cases with validated, up-to-date evidence and demonstrates how the proposal has developed through the agreed stages and steps.

FBC completion check: Use the existing requirements to check that all five cases reflect the final proposal. Cross-reference supporting evidence rather than repeating the OBC.

- **Strategic:** Confirm the final rationale, intended outcomes and strategic alignment.
- **Economic:** Update and validate the appraisal underlying the final proposal.
- **Commercial:** Confirm the selected tender and final commercial arrangements.
- **Financial:** Update the affordability assessment and supporting financial evidence.
- **Management:** Confirm delivery arrangements, responsibilities and plans.

Sequencing — policy clarification required: The relationship between tender selection, FBC appraisal, investment approval and any contractual commitment must be confirmed. The existing references to tender selection and Gate 3 are retained; they should not be read as resolving the approving authority or procurement sequence.

12.4 Submission and appraisal outcome

83. Submit the complete, validated FBC for appraisal as the evidence base for a separate investment decision. Completion does not assure funding, which remains subject to governance, affordability, priorities and available capital.

84. Record the investment decision separately from the stage appraisal outcome, using the submission and governance arrangements described in Sections 5 and 8.