

Undertaking Option Appraisal

To decide on the best possible options for implementation

How to use it?

The task of appraising the various options for project implementation is crucial in many respects. By comparing and assessing different options of how a project could be implemented, the option appraisal process ensures that the aims and objectives are met in the most effective and efficient way.

This task will assist you in your decision which delivery option might be the most effective and efficient for your project. It can be used for the whole of your project or for specific parts of it during the project planning phase whenever there are any choices and decision to be made.

Before you start

- Complete the design of the project, including a realistic estimate of its inputs, costs and results anticipated.

What for?

- To gain a clear understanding about the sequence of your plan and its projects to inform the scanning process of potential funding opportunities.

Step 1 Identify options

- Consider alternative approaches for delivering your project. This can be done on your own or as a group with experienced colleagues.
- Consult with colleagues and partners what delivery approaches they have used to implement similar projects in the past.
- Research the internet and compare how other cities addressed similar aims.
- Consult with the target group about their ideas how to achieve the project aims.

Step 2 Shortlist the most realistic options

- Briefly describe the option and its rationale.
- Include the 'do nothing' case as a first option.
- Consider options that might differ in scale, quality, location, target group, timing, composition in partnership or delivery structure, approach such as supply or demand side interventions, funding mix.

Step 3 Ensure that you have the relevant information for each option

- Financial information (delivery costs, management costs, funding sources, estimated income generation)
- Information about benefits and results (direct and indirect benefits for target groups, stakeholders, etc.)
- Other relevant information about positive and negative effects (environmental, social, economic)
- Risks

Step 4 Undertake the quantitative appraisal

- Note the costs of each option and the benefits/results (if necessary estimate a monetary value for them)
- For large-scale and long-term projects obtain their present value by discounting costs and benefits over the year
- Take into account any optimism bias regarding the costs and benefits and consider a sensitivity analysis, for example use the 'what if' approach to test certain scenarios, or the '5 Whys' to explore the pros and cons of each option in more detail.

Step 3 Undertake the qualitative appraisal

Define a number of key criteria that are meaningful in view of the aims and objectives of the project, for example: benefits/impacts, strategic fit delivery implications, potential partnerships, timescales, risks.

Step 3 Undertake an Option Appraisal Workshop

Organise a workshop with relevant colleagues and partners to reflect on the various options, jointly decide about the strengths and weaknesses about each option, potentially score them and identify the preferred option.



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Project Option Appraisal	Project Delivery Option1	Project Delivery Option 2	Project Delivery Option 3	Project Delivery Option 4
Describe each Project Option				
Identify how it fits to the strategy/policy environment				
Estimate the Costs of each Option				
Specify the Benefits/Results				
Identify the Risks specific to each Option				
List any delivery Implications and Consequences				
List the partners of each Option				
Estimate the Timescale				
What are the overall Strengths?				
What are the overall weaknesses?				
Provide an overall Assessment and Score of the Option				