



Pathway Information (delete when you use this template)

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Signature

Date

Prepared by

<Name>

<Title>

.....

Approved by

I confirm that this deliverable meets the requirements of the relevant Pathway Product Description and that all consultation comments have been addressed to the satisfaction of consultees.

<Name>

Sponsor

.....

.....

Distributed to

<Name>

Project/Programme/Delivery Portfolio Board



Document History / Business Case Version Information

Identify which version of the business case this document is and indicate whether it is FINAL or DRAFT IN PROGRESS. Provide links to previous final versions for previous stages (Business Case stages, not Pathway stage review versions as official versions may be after the review). Do not include all intermediate versions between stages.

Pathway Stage	Five Case Version	Date	Link to file
1	Strategic Outline Case (Pathway 1)	dd.mm.yyyy	Insert Hyperlink
2	Outline Business Case (Pathway 2)	dd.mm.yyyy	Insert Hyperlink
3		dd.mm.yyyy	Insert Hyperlink
4	Full Business Case (Pathway 4)	dd.mm.yyyy e.g. THIS VERSION – DRAFT IN PROGRESS / FINAL	Insert Hyperlink
5		dd.mm.yyyy	Insert Hyperlink
6		dd.mm.yyyy	Insert Hyperlink
Outturn		dd.mm.yyyy	Insert Hyperlink
	Programme / Portfolio Business Case (For Projects – collections of projects / programmes or overall Portfolios)	dd.mm.yyyy	Copy rows and Insert Hyperlink for previous official versions
	Annualised Programme / Delivery Portfolio / Asset Management	dd.mm.yyyy	Copy rows and Insert Hyperlink for previous versions



Glossary of Terms [\[Delete if unnecessary – Particularly of use for IM Business Cases\]](#)

Abbreviation	Term
<XXX>	



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DELETE THE BLUE TEXT AS THIS IS FOR GUIDANCE ONLY

Overall Business Case Guidance (Delete this Section)

What follows is a suggested template for a good practice business case. It is not expected that sponsors (or author of the business case) should follow this format rigidly but they should ensure that all the suggested sections are appropriately covered given the lifecycle stage and scale of the project.

It would be expected that the emphasis would be different at different stages of the project lifecycle and the template should be adjusted to reflect this.

- Outcome definition (Pathway Stage 1) – to enable the business decision to pursue the project, it would be expected that the Strategic Case would have more emphasis and the Economic case would be an outline case. In this stage it is important to define the objectives and make a good case for why an intervention is even needed at all. It would have less detailed scope and less accurate cost/benefit estimates, however it should be remembered that the greatest potential to improve a project is in the early stages and a vague project definition can make this difficult to achieve.
- Feasibility (Pathway Stage 2) – to enable single option selection decision making, it would be expected that the Strategy and Objectives section would be updated and the Economic case would be a robust evaluation of the options with a conclusion as to the preferred single option selection.
- Concept Design (Pathway Stage 3), costs and benefits would be refined for the preferred option in response to the concept design, market testing or contractor engagement. But still retain the option selection information.
- Detailed Design (Pathway Stage 4) – ready for implementation, it would be expected that the Strategy and Objectives would be updated, the Economic Case would summarise the single option selection rationale and present the updated case with revised costs and benefits for the preferred option. Benefit measures should be baselined. Reasons for differences to the single option selection stage business case should be explained. Still retain the single option selection information.
- Delivery (Pathway Stage 5) – monitoring ongoing changes to value for money. The business case should be kept up to date with latest costs and benefits if they have changed. Explanations should be provided for any change.
- Project Close (Pathway Stage 6), the above business case should be represented with outturn costs and known outturn benefits and an explanation provided on the difference to the implementation stage business case.
- Benefit Realisation (no Pathway gateway, ideally about 2 years after practical completion), a thorough evaluation of the outturned benefits and strategic



objectives against the pre-delivery (Pathway 4) business case and benefit measures should be presented.

Business Case version control should lock down a copy of the business case at the lifecycle stages.

This template applies to all projects going to either the Rail and Underground Board (RUB) or Surface Board (EFC > £2m budgeted or £1m unbudgeted), but user discretion should be applied to the relevance of certain sections. Below this threshold discretion is left to the relevant Directorate but as a minimum a business case should contain a rationale for the project including background, options, costs, benefits and summary. This could be condensed to as little as two pages.

The format below should be adapted to provide an appropriate business case along the lines described above.

Business Case Development guidance and templates can be found on this link:

<http://source.tfl/OurCompany/541.aspx>

This includes the Business Case Development Manual, Business Case Assistant spreadsheet and FAM (London Underground Only) spreadsheet. An appraisal spreadsheet should be sent with this narrative document for approval.

The most important thing in a business case narrative is to weave the story that justifies the project. Capture the real drivers, explain them, undertake the formal appraisal then weave it all together in a good, convincing story.

1 Executive Summary

Please insert a one or two page Executive Summary if this document is over 50 pages.

As a size guide for the whole document: EFC < £25m = 25 pages; EFC < £100m = 35 pages; EFC > £100m = 50 pages. If this document is too long, then the main thread of the story will be lost. If you find yourself saying “put it in, someone may find it useful” then leave it out. Particularly large or complex business cases may need to go over this size guidance, but they should be few and far between.

2 Strategic Case

The question that this section must answer is: What is the case for change? This is about showing why we should make an intervention at all. What is wrong with how things work at the moment? What is the opportunity to be made? Why now? The Strategic Case should not include in depth optioneering or cost – benefit analysis. It is about the bigger picture compelling rationale for change.

This case should be largely worked up during Pathway Stage 1 and updated during the subsequent stages. If there are not clear objectives for your project / programme right at the start, then it will make later stages, especially around optioneering difficult. If the basis (objectives) for the project changes, then this should be documented so that any



scope creep / cost increase can be explained in a logical manner. Don't pretend the new objectives were the objectives all along, just set out how and why they changed.

2.1 Description

First paragraph is a brief description, sufficient to identify what the project entails. In the early stages it would be about the reasons behind the project (i.e. to address a lack of connectivity). Once option selection has been made, then it can start off with a description of the proposed scheme.

Further paragraphs to describe the background appropriate.

2.2 Strategic Context

This section highlights the high level policy aims and business goals of the organisation from which the objectives of the project flow.

What are the organisational strategies being used to evaluate the options – National, Mayoral, TfL, Business Unit or Department

A robust case for change requires a thorough understanding of what the organisation is seeking to achieve (the investment objectives); what is currently happening (existing arrangements) and the associated problems (business needs)...

2.3 Objectives And Benefits Criteria

The objectives for this project are as follows:

Objectives	Main benefits by stakeholder group
Objective 1 (e.g. Enhance Capacity)	Passengers Non-Financial Journey time benefits through reduced crowding factors
Objective 2	
Objective 3	
Objective 4	

This section links objectives and main benefits – it does not quantify the benefits at this stage (which is done in section 3.3).

For capital projects these are Investment Objectives, perhaps derived from MTS objectives, for business change projects these could be various other organisational objectives.

Note how these objectives were derived with stakeholders and customers.



Objectives – should relate to the strategies and policies of TfL, but can also include agreed local strategies.

Benefits mapping is a useful tool in this section to link the high level strategies to the outcomes of the scheme.

Objectives should focus on need rather than the potential solution. They should be wide enough to not exclude important options but not be so broad that they cause unnecessary work in optioneering.

This section is crucial, especially for projects which traditionally do not have a good Economic (benefit to cost ratio) case such as Step Free Access, Station Refurbishment, Environmental and Cycling / Walking projects.

Possible Tools:

SAF – evaluates fit against Mayor's Transport Strategy (MTS)

MoV – Strategic Driver Analysis

Benefits mapping

Note that this section sets out the framework for identifying objectives and not how well each option satisfies that objective. Section 3.3 should summarise how well each option (or the do-something option beyond the single option selection stage) performs in monetised benefits and in meeting objectives.

The Project Requirements document Business Objectives section should be a summary of the information in this section and document as a whole, or it should be a high level summary that gets developed and fleshed out in the business case as techniques such as Management of Value and tools such as the Strategic Assessment Framework are applied.

2.4 Existing Arrangements And Business Needs

Existing arrangements – provides a snapshot of “where we are now” and the basis for the do-nothing option.

Business needs – this highlights the problems, difficulties and inadequacies of the existing arrangements. This pinpoints the difference between “where we are now” and “where we want to be”.

2.5 Potential Scope And Service Requirements

Clearly set the boundaries for the options. Why are the options limited to a highway intervention for example rather than light rail or improved bus services etc? Set out any exclusions – things that are purposefully out of scope.

Before single option selection there could be a continuum of need ranging from a minimum scope (essential or core) to a maximum (essential, plus desirable). Intermediate (desirable) scope is what could be considered if the costs and benefits



make it worthwhile. From this, a set of coherent options should be developed for evaluation in section 3, with the preferred option and its scope clearly identified.

Main items of scope (list of up to about six main items). After single option selection stage a paragraph should be added that clearly sets out the scope of the preferred option and the section should lose the word “Potential”.

2.6 Constraints and Dependencies

What are the internal constraints within which the scheme must operate?

What are the external influences (dependencies) that must be in place for the scheme to be a success.

This section is about constraints and dependencies that could potentially affect value for money or indicate robustness of optioneering or cost and benefit estimation. In the PEP dependencies are about delivery interfaces and how they are managed. The work flow here should be that this section is a high level summary of the similar section in the Project Requirements and are then developed into the PEP dependencies.

3 Economic Case

The question that this section must answer is: What is the best public value solution? There are two sides to this: prove the option and prove the value for money. Proving the option is easier – use cost benefit analysis; Management of Value, Multi-Criteria Analysis, or other statistics such as stakeholder support. Proving value for money without a good benefit to cost ratio has to rely on JUDGEMENT by the decision maker that the benefits are worth the costs.

During Outcome Definition (Pathway Stage 1) this section would illustrate potential value for money. By the end of Feasibility (Pathway Stage 2) this section would robustly justify single option selection, for which more than one do-something option is necessary and the process of moving from a long list to a short list to a single option should be documented. Beyond that this section would be updated with revised costs and benefits to illustrate the ongoing value for money and to validate that the option selection still remains valid.

3.1 Options

Set out impacts on existing arrangements (operating practices) during implementation and permanently.

Options considered

Preferred option, and explanation of why preferred. Base option for comparison, normally the minimum practicable course of action (default is do-minimum with that being a do-nothing sometimes).

In Outcome Definition stage (Pathway 1) a potential benefit to cost ratio can be provided to illustrate potential value for money. It is not necessary to provide options in



Pathway 1, but equally it is not good to constrain thought around different solutions. It would be useful to talk about the potential range of solutions. Optioneering occurs in Pathway Stage 2. During this stage, the project needs to move from the long list (e.g. 20 options), through the short list (4-5 options) to the preferred solution. The process of narrowing down the options should be explained and an appendix table should be provided with all discounted options and the reasoning (e.g. cost too high, unacceptable land take, impact on green space etc.). Beyond Pathway stage 2 the business case should be updated, but it should remain as the single live business case. It is recommended not to delete information on optioneering, but to focus in more detail on the preferred option with updated costs and benefits. This will enable the final business case to still retain option information and for any changes during procurement and implementation to be compared to the original option selection decision to ensure that the choice is still a clear decision.

At each stage the option which appears best, according to the strategic and economic evaluations, should be identified as the “current preferred” option (in the sense that it appears optimal at the stage without necessarily committing this to be the option that will eventually be chosen, which may depend on successful negotiations, positive outcome from surveys etc).

This is the best way to assess the current value of a project, along with suitable sensitivity tests to show how other options might significantly affect the assessment.

Then for each main option (in the early stages, or preferred option only beyond single option selection) explain (either by option or by subject heading below):

3.2 Explanation Of Costs, Cost Savings and Revenues

- Capital, leasing, and revenue costs – where possible costs should be broken down by main items of scope
- Any third party contributions
- Costs avoided (e.g. scheduled asset replacements) and ongoing cost savings
- Revenue from increased demand, secondary revenue (rents, advertising, sponsorship etc)
- Revenue loss avoided (e.g. by preventing deterioration of service)

Clarification of whether each cost and revenue is:

- a) as stated or implied in Investment Programme or elsewhere in the Business Plan [a reference should be included]
- b) not included in Investment Programme or elsewhere in the Business Plan

No. of FTE staff added or reduced, during implementation and/or on an ongoing basis,

Impact on Accommodation / Specialist Support Services both during implementation and ongoing, including (but not limited to):



- Accommodation demand, including space and number of workstations and duration;
- Accommodation costs (such as cost per desk), including all associated IM costs (including both hardware and licenses);
- HR activity demand, such as recruitment, training etc;
- Specialist IM demand.

Guidance on the costs is set out in the TfL [Support Services' Rate Card](#) or may be specifically agreed with the Service Provider, if appropriate.

Clarification of whether each cost saving is either a) a saving on budgeted expenditure which the budget holder has signed up to, or b) an unbudgeted amount avoided, with explanations of why the expenditure could not otherwise be avoided and why it is not budgeted. *(The avoidance of expenditure on an item that cannot be shown to be essential should be mentioned as a potential advantage in the following section, but not included in the quantified analysis).*

Residual value.

Forecast costs and incomes for TfL, (separate per annum over the Business Plan horizon – currently the next ten years, combine prior years, combine future years beyond Business Plan horizon).

Insert tables as appropriate. Appendix B contains outturn budget tables where these are not contained in an Authority Paper. This helps modal finance teams provide assurance.

Suggested sections are set out below, but please use judgement to reform these, especially where different options are being compared.

3.2.1 Overview

Suggest an overview table here. The figures set out here should also show how outturn costs discussed relate to the discounted present value costs in the appraisal.

3.2.2 Capital Costs

3.2.3 Operating Costs

3.2.4 Impact On Revenue



3.3 Explanation Of Social / Strategic Benefits

The sections below should include the following where important:

- Any significant disbenefits that could be concealed by an overall net benefit
- Any significant disparities between impacts on population groups – e.g. on different socio-economic groups.
- Maps (such as accessibility or pollution hotspots etc.) and other data should be presented to support the option, particularly where monetisation is not strong.
- Where monetisation does not capture the full benefits of the project, consider other techniques that justify option selection such as Management of Value approaches. This section needs to clearly explain why we chose the option that we did.

3.3.1.1 Monetised Benefits

- Any benefits that can be monetised, e.g. journey time, ambience or safety improvements. An explanation of the elements contributing to each type of annual benefit should be provided, with a detailed breakdown of the top 5 benefits (or top 5 origin-destination movements) as in the following example:

Journey Time Benefits

xxxxxxx	X	xx.x min	X	£0.xxxx	X	x.xx	X	xxxx	=	£xxxK
No. of trips ¹ in 3-hour a.m. peak		Journey time saving ² between locations xxxx and xxxx		Value of time per min		Averag e crowdin g penalty applied ³		Annualisati on factor (from a.m. peak to a year)		Annual benefit

¹ Source of estimate: xxxxxxxxx

² Estimate derived by: xxxxxxxxx

³ Estimate derived by: xxxxxxxxx

3.3.1.2 Quantified (But Not Monetised) Benefits

- Any benefits that can be quantified but not necessarily monetised
- This section includes multi-criteria analysis.



- Quantified proportions of consultation responses.
- Bespoke prioritisation models capturing multi-criteria decision making should be explained (no need to explain generic models such as SAF), especially where monetisation is not strong. The outputs should be discussed where they contribute to decision making between options.

3.3.1.3 Non-Quantified Benefits

- Any benefits that cannot be quantified, e.g. improvements in corporate image (refer to how well the option fits with the investment objectives as set out in 2.3)

3.4 Key Assumptions

Any non-standard assumptions used in the analysis of costs and benefits such as:

- Property acquisitions / disposals being completed at current market rate;
- Aspirational target or unusual way of calculated demand growth;
- Partial achievement of benefits at first with total benefits coming in when a later stage is completed.

These could indicated areas where sensitivity tests are appropriate. These should differ to the PEP assumptions in that they are focussed on the appraisal rather than delivery assumptions.

3.5 Feasibility, Risk

- Details of any previous or proposed feasibility study
- Any reasons to doubt feasibility, e.g. technical risks, procedural barriers, dependence on other projects, shortage of specialist resources, etc
- Provisions to address longer term risks to business continuity, e.g. vulnerability of key information systems
- Extent of risk quantification, brief overview of risk provision including main or notable risks. The difference to the PEP risk section is that is concerned with how risk is managed, this section is concerned with how the risk estimate links to financial provision and gives us a flavour of how robust the cost / risk / optimism bias estimate is.

3.6 Outcome Of Quantified Analysis

- Benefit:cost ratio / extent to which financially positive
- Point, if any, at which project becomes financially positive



- Sensitivity to disregarding any third party contributions to cost, i.e. using only net cost to TfL
- Sensitivity to assumptions associated with the most uncertainty
- Break even analysis – sensitivity tests testing most uncertain elements to show how these would need to change to make the net financial effect zero (or for social business cases show what would need to change to make the benefit to cost ratio 1.5:1).
- How representative is the quantified analysis of the project's value, given any benefits not included?

Table 1: Economic Appraisal, Net Present values (NPV)

	Option 1 Preferred	Option 2	Option 3	Option 4	Option 5
Project Management					
Feasibility					
Concept Designs					
Detailed Designs					
Main Works					
Project EFC (Discounted)					
Other Capital Costs					
Operating Costs					
Revenue					
Secondary Income					
Savings					
Net Financial Effect (NFE)					
Payback Period (years)					
Time Benefits Mode 1					
Time Benefits Mode 2					
Time Benefits Mode 3					
Ambience Benefits					
Safety Benefits					
Health Benefits					



Other Monetised Benefits

Benefit to Cost Ratio

Sensitivity Test 1

Sensitivity Test 2

Sensitivity Test 3

3.7 Economic Case Conclusion

The Table below is a suggested way of illustrating option selection where the benefit to cost ratio is too narrow to express the full benefits of the scheme. To enable decision makers to decide whether the proposal is value for money, quantified evidence should be presented and the question posed: "are these benefits worth this financial impact?" If the answer is yes, then this is considered value for money.

New statistics such as the Management of Value Value Ratio should be explained in all cases to ensure that there is no misunderstanding as to what it actually represents.

Table 2: Appraisal Summary Table

Statistic	Option 1 (preferred)	Option 2	Option 3
MTS Outcome: Reducing the numbers of road traffic casualties	33% collision reduction (41 collisions avoided)	25% reduction (31 collisions avoided)	10% reduction (12 collisions avoided)
MTS Outcome: Facilitating an increase in walking and Cycling per day	25% increase cycling (+183 cyclists) 20% increase in walking (+2342)	18% increase in cycling (+131 cyclists) 18% increase in walking (+1686)	2% increase in cycling (+14 cyclists) 2% increase in walking (+187)
MTS Outcome: Enhancing streetscape, improving perception of urban realm and developing 'better streets' initiatives	£220k pa ambience benefits	£186k pa ambience benefits	£33k pa ambience benefits
Bus / General Traffic disbenefits	£3,889k pa	£3,165k pa	£1,243k pa
Other Social Benefits	£2,704k pa	£2,064k pa	£945k pa
Total Social Benefits	-£1,186k pa	-£1,101k pa	-£298k pa
Lifecycle Benefits	-£75.9m	-£70.5m	-£19.0m
Lifecycle Cost	£24.4m	£30.7m	£20.6m



Benefit to Cost Ratio	Not appropriate as both top and bottom are negative.		
Land Value Uplift (private benefit pa)	£12m	£10m	£6m
Third Party contributions	£10m	£6m	£1m
Lifecycle Cost net of third party contributions	£14.4m	£24.7m	£19.6m
GLA, LB Southwark, Local Community Support	Preferred	2 nd Preferred	Least preferred
Management of Value Ratio. Fit against strategic objectives per pound spent ¹ .	9.4:1	4.6:1	0.8:1

Interpretation: The BCR is not applicable in this instance because both the top and bottom are negative i.e. there are social disbenefits and a cost. This is as a result of the significant disbenefits to bus and other road users due to the reallocation of space to cycling, walking and urban realm. The preferred option 1 maximises the strategic objectives of improving safety, encouraging active travel and improving the public realm. This option is strongly supported by City Hall, LB Southwark and the local community and maximises development potential – raising Land Values by £12m and extracting £10m of third party contributions to offset project costs. The Value Ratio of 9.4:1 also shows that this option best fulfils the strategic objectives per pound spent. This project contributes to the wider city strategy of regenerating local communities with poor quality public realm to enhance housing provision and job opportunities. This will allow London to expand in a sustainable and life enhancing way to cater for an additional 2m people by 2030. Because of the overall negative social benefits, which do not fully reflect wider benefits, value for money is a judgement call that creating a nice place, encouraging active travel and addressing safety concerns but putting up with additional bus and other road user delays is worth the £24.4m cost. Removing third party contributions (which is maximised with the preferred option) reduces the cost to TfL to £14.4m.

4 Commercial Case

The question that this section must answer is: Is it commercially viable?

Other commercial documents such as the procurement strategy cover this case in more detail and these can be cross referenced with just a very high level summary provided here addressing the points below.

For Pathway Stage 1 – indicate the likely procurement approach given an early assessment of the attractiveness of the project to providers.

For Pathway Stage 2 – briefly set out the procurement approach and potential risk apportionment. Does the risk apportionment and the project / programme / organisational risk registers tie up?

¹ A Management of Value Ratio is a metric that represents the extent to which a project or activity contributes to a defined set of objectives or criteria. It provides a structured way of assessing the volume of benefit or benefits generated per pound of spend. It can not assess absolute value for money because it does not compare monetised benefits and costs however it can demonstrate relative value for money i.e. that one option is better than another at contributing to a common strategy.



By Pathway Stage 4 – what is the situation with contract negotiations? Have the negotiated costs been fed back into the project cost estimates / financial requirements? Have the risk allocations been captured in the project / programme / organisational risk registers and Risk Management Strategy?

5 Financial Case

The question that this section must answer is: Is it affordable?

This section is straight forward if it is budgeted in the business plan. Just show the total impact on the business plan – for both project and operating costs and any revenues and savings.

Show third party funding contributions.

Sometimes the funding approach is more complicated such as through a PFI arrangement. This section needs to show how the income covers the expenditure in outturn actual money terms over the life of the appraisal.

5.1 Financial Impact Of The Project

This section shows the financial implication of the project

Table 1: Financial Impact – Outturn project and opex costs, revenues, savings.

UIP / ST-PJXXX	Spend to date (to Pxx)	2015/16 (remainder)	2016/17	2017/18	2018/19	2019/20	Future Years	TOTAL
Feasibility								
Preliminary & Detailed Design Fees								
Advanced Works/Utilities								
Main Works								
Consultants								
TFL Staff costs (Salary/Pension/NI)								
TFL Support Services Costs (IM)								
TFL Support Services Costs (Accom)								
TFL Support Services Costs (HR)								
Total Base Cost								
Risk								
Total Estimated Final Costs								
Opex Cost / Revenue Area 1								
Opex Cost / Revenue Area 2								
Support Services Costs Ongoing								
Savings								



NB: Earmarked contingency should be added to the table above where costs are covered by third parties.

5.2 Funding

This section shows how the financial implications above are covered in the TfL Budget / Plan. If there is a shortfall, then showing how this gap can be closed, if known, is essential.

Add rows / change labels as appropriate.

Table 2: Funding

UIP / ST-PJXXX	Spend to date (to Pxx)	2015/16 (remainder)	2016/17	2017/18	2018/19	2019/20	Future Years	TOTAL
External XXX								
External XXX								
External XXX								
Total External Funding								
UIP / ST-PJXXX								
UIP / ST-PJXXX								
UIP / ST-PJXXX								
Total Funding in Budget / Business Plan (1)								
Plan Surplus / (Shortfall)								
Current Authority								
This Authority (2)								
Future Requests								

(1) TfL Budget / Plan is the approved budget. If you wish to also show a phased comparison to the latest forecast this should be done in a separate table.

(2) For the request (if any) that this version of the business case is supporting.

5.3 Expected Final Cost History Comparison

This section shows how the EFC has changed over the project lifecycle.

Add rows / change labels as appropriate.

Table 3: EFC History



UIP / ST-PJXXX	Current Business case	Gate X	Gate X	Gate X	Gate X
Date					
Feasibility					
Preliminary & Detailed Design Fees					
Advanced Works/Utilities					
Main Works					
Consultants					
TFL Staff costs					
TFL Other costs					
Total Base Cost					
Risk					
Total Estimated Final Costs					

Provide commentary for major changes over the lifecycle and specifically for the changes since the last lifecycle stage. Use other tables as appropriate to illustrate the change. Maybe capital costs have gone up but operating costs have come down.



6 Management Case

The question that this section must answer is: Is it achievable?

This case is covered by other documents such as the Project Execution Plan (Governance, Change Management), Benefits Management Strategy, Risk Management Strategy and Contract Management Plan.

As with the Commercial Case, a summary paragraph is expected but you should not have to repeat anything here in much detail.

6.1 Project Milestones And Timescales

UIP / ST-PJXXX	Current Forecast	Gate X	Gate X	Gate X	...Gate X
Date	Mar 2017	Jun 2012	Feb 2013	Aug 2016	
Single Option Selection					
Public Inquiry Begins / TWAO Submission					
ITT					
Tender Returns					
Contract Award					
Intermediate Delivery Milestone 1					
Intermediate Delivery Milestone 1					
Intermediate Delivery Milestone 1					
Intermediate Delivery Milestone 1					
Practical Completion					

Modify the rows and columns above as appropriate



6.2 Measures of Success / Benefit Realisation

The main requirement in this section is to provide a link between the theoretical benefits of the business case and the easy to measure benefit realisation / evaluation data that will be used to judge the success of the intervention.

For Pathway Stage 1, link the objectives and the type of benefit we would expect with the likely indicator measures to be used.

For Pathway Stage 2, identify the measures to be used that represent the objectives and provide an estimate of what they will move to.

For Pathway Stage 4, populate with the baseline measures of the statistics to be measured. These are the last pre-implementation measures to which post implementation success will be judged.

The main theoretical benefits identified in sections 3.2 and 3.3 should be turned into easily measurable Measures of Success in this section and tabulated. These are taken forwards in the Benefits Management Strategy.

They need to be as measureable as possible shortly after practical completion and certainly within two years. They need to be SMART (specific, measurable, achievable, relevant and time-bound).

Measures of Success	Measure / Baseline / Expected Value
Journey Time	From point X to point Y a reduction of 35 seconds from 4 min 45 to 3 min 10 seconds per person at 8:45am during a weekday peak upon implementation.
Ambience	An improvement in MSS scores for X from 3.5 to 8.
Cost Saving	A reduction in the maintenance budget for X of £100k per annum upon implementation.
New Revenue	Revenue of £x per annum from 3 extra advertising sites
Etc.	

What ongoing benefit realisation arrangements are in place?

7 Summary

7.1 Overall Assessment

Overall assessment, given quantified analysis, sensitivity tests, any benefits not included in quantified analysis, and project risks. Is the best value option over ruled by funding constraints?



Draws together conclusions from all the analysis.

THIS IS THE MOST IMPORTANT PARAGRAPH IN THE WHOLE DOCUMENT AS IT IS THE SINGLE PARAGRAPH THAT DECISION MAKERS WILL HEAD TO IF THEY DON'T HAVE THE TIME TO READ THE WHOLE DOCUMENT.

7.2 Next Steps

Areas of further development for the Business Case and expected timescales



APPENDIX A: Consultation

This section is a reminder for areas that should be consulted if there is an impact on their area. Delete those that are not appropriate, add others in as required.

Blanket consultation approaches do not work for the most important sign offs of particular aspects. Consultation should not be a generic “are you happy with this case? Please send any comments on this 100+ page business case by the end of next week otherwise I will assume you are happy.” This is not proper or effective consultation.

What works is tailored consultation throughout production, so if you have agreed the ongoing opex costs with the operational finance people, and that is documented in an email, then that should be described in the “Aspect Reviewing” column and the response should be whether they have agreed to your figures or not. You could follow up by sending them the business case and saying “as agreed, the opex costs are set out in 3.2.3, are you still ok with this?”

This approach is much more useful in evidencing the robustness of the business case, which is what the consultation section is for. It is particularly important to make sure that the following roles have provided approval for their areas of expertise:

- The project delivery team – if they have not bought into the project cost estimates and the business case as a whole that sets out what they are to deliver, this implies that it may not be deliverable to the value set out.
- The opex / capex / other budget lines finance people – they need to confirm that these budget lines are robust and are budgeted / accounted for in the right way.
- The asset owners / operators once they transition to business as usual – if they do not meet these needs, then the value may not be optimised or delivered.
- The Business Case Functional Lead, who can help you in advance of any assurance / authority request and who can help you produce a quality product that can withstand external scrutiny on the robustness of TfL decision making.

Above all, remember that this is the section that evidences to the ACCOUNTABLE SPONSOR that it is ok to approve the document and that the right people have approved the right aspects of the projects. This is not a generic box ticking “have all these people seen a 100+ page business case and objected to anything that it contains”. It is essential that this section is used correctly now that the Business Case Functional Lead does not sign the front of business cases from a quality point of view.

Response: e.g. No Response, Supports, Does Not Support, Comments Included – Supports, Comments Included, Approves Content, more detailed text is encouraged.

Contact	Department	Aspect Reviewing	Response
Generic			



Ryan Taylor, Business Case Functional Lead.	TfL Finance, Group Business Planning and Performance	Whole document, robustness, best practice.	
Matthew Hayes	IM	Where any impact on IM	
Paul Doyle	Accommodation, Commercial, Finance	Where impact on staff accommodation	
Charles Stimpson	Group Property & Facilities	Where impact on property and land acquisitions	
Ian Bull [REDACTED]	Finance, Commercial Development	Where impacting non- passenger revenue	
Roger Pye / Glynn Barton	Surface Traffic Operations	Where impact on traffic	
	End User / Asset owner / operator	End User approval	
	HR	Where people and process impacts	
Delivery Department (CPD, PPD etc.)	Project / Programme Manager (responsible for delivery)	Whole project	
Delivery Department	Commercial Manager	Cost estimate for project	
	Other stakeholders as necessary		
	Any budget holder for areas where opex affected.		
LU Specific			
Tim Keogh	Finance	Opex Impact Reviewer	
Senior Business Accounting Manager (Capital Programme Finance)	Finance	Capex Impact Reviewer	
Paul Dorman	Finance	Capitalisation Reviewer	



Jennifer Singleton (or team member)	APD / COO	Maintenance / Operational impact	
	CPD	Project Engineer (Professional Heads, Outside of project team)	
Safety General Managers	HSE	Safety issues (ensure other Safety docuemnts also sent)	
Senior Commercial Managers	Commercial	Commercial issues (ensure other commercial docuemnts also sent)	
Surface Specific			
David Stacey William D'Souza	Finance Business Controller	Financial Impact	
Lilli Matson Tanya Durlen	Business Planning	Whole Document	
Muhammad Ali	Environment Manager	Environmental Issues	
	Other areas within Surface impacted by project as appropriate.	Where impact	
IM Specific			
Phill Willis	IM Business Planning		
Simon George	IM Governance, Assurance and Risk		
Imam Uddin	FBSF	IM Finance	
Further Guidance within IM			



APPENDIX B: Title

Add appropriate appendices as required. Maps, photographs etc.

Typical Appendices:

- More detailed benefits explanations
- More detailed cost explanations
- Tables of long list options that have been discounted

Keep the appendices as short as possible. If you find yourself saying “put it in, someone may find it useful”, please do not include it.



APPENDIX C: Quality Checklist

Delete this section when checked.

Style

- Do you have a clear story based on the decision being made?
- Have you stripped out any irrelevant detail?
- Has any specialist jargon been removed?
- Have you removed all the blue guidance text from the business case narrative?

Content

- Do you clearly specify where you are in the project lifecycle?
- Does your business case answer the Five Case questions (see business case narrative template)?
- Did you download and use the latest templates (narrative and spreadsheet) from Source / Pathway?
- Does your business case align with what is in the Authority Paper?
- If approval is required from HM Treasury, DfT or Public Inquiry, have you done a full Five Case compliant Business Case?

Strategic Case

- Are your investment objectives clear and do they align to the TfL Corporate, Operating Unit or Department strategy (define by the end of Pathway Stage 1)?
- Do you discuss why the project needs to take place at all?
- Do you highlight the problem or opportunity with the current arrangements?
- Does your business case discuss the real benefits of the project, even the ones that do not fit into the benefit to cost ratio?
- Does your business case seamlessly fit into a hierarchy of business cases (strategy, portfolio, programme, project etc.)?

Economic Case

- Have you included all costs and benefits over the lifecycle of the asset being put in place?
- Have you included disbenefits as well as benefits?
- Are the data and calculations correct?
- Is there enough supporting data and can your benefits be justified?
- Have you considered commercial opportunities / revenue streams?
- Have the key risks been identified?
- Have you included provision for risk and optimism bias?
- Have you included a benefit to cost ratio?
- Is there a clear option selection identified (Stage 2 onwards)?
- Have you included sensitivity tests to highlight potential risks to option selection or value for money decisions?
- If the option selection has been demonstrated using Management of Value, has the robustness of this been set out?



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- Is the optioneering process clearly documented with reasons why options have not been progressed and has any viable options been omitted? (Stage 2 onwards)?
 - Have you demonstrated value for money or indicated what should be taken into account when judging value for money?
 - Is the appraisal (value for money / option selection) set out in discounted values?
 - Is the Appraisal Summary Table included and interpreted to guide senior management decision making?
 - Have you considered the delivery method (design and build, Agile, PFI, internal resource) or the “Why now?” question as options?
 - Have you remained objective to obtain neutral information to inform / document business decision making or have you been optimistic and biased to justify a decision that has already been made?

Financial Case

- Are the project costs and other budget impacts clearly set out (opex, revenues, savings) in outturn values in the Financial Case?

Commercial Case

- Have you indicated the preferred procurement approach and any other likely commercial implications for any other contracts (e.g. operations)?

Management Case

- Has benefit realisation been considered (measures identified Pathway Stage 1, estimated values Stage 2, baseline measures Stage 4, realisation evidence Stage 6 onwards)?
- Have you set out the expected timeline for the project?

Consultation

- Have the consultations been tailored to get buy in to specific aspects or has consultation taken place using the less effective and generic “please comment by the end of next week on this 100+ page business case” approach?
- Has the project delivery team signed up to the cost estimates, risk, milestones, delivery plan and outcomes required? (Pathway Stage 2 onwards)?
- Have the project / engineers / operational people been involved at an early enough stage (Pathway Stage 0 or Stage 1) to guide development with requirements, limitations and feasibility?
- Have the opex / capex finance people signed up to the figures?
- Have the asset owners signed up to the business case?
- Have the consultations been evidenced in the Consultation table?