



Infrastructure
and Projects
Authority

Business Case Development for Infrastructure Projects

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Infrastructure and Projects Authority

The IPA is the government's centre of expertise for infrastructure and major projects and PPPs.

Our core teams include experts in **all elements of project delivery**: infrastructure, IT, defence transformation, project finance and project profession capability

We support the successful delivery of all types of major projects; ranging from railways, schools, hospitals and housing, to defence, IT and major transformation programmes.

Our purpose

We deal with every aspect of major project delivery. Our purpose is to drive continuous improvement in the way government delivers infrastructure and major projects.



International Team

We have worked with 60 countries over the past 15 years. We have helped set up a number of PPP units worldwide

To know more about the IPA, please visit:
<https://www.gov.uk/government/organisations/infrastructure-and-projects-authority>

IPA Objectives

- **Expert Commercial Advice to Departments**
- **Policy into Delivery**
- **Bespoke Advice to HM Treasury and Cabinet Office (incl on PFIs)**
- **External Market Engagement**
- **Assurance**
- **Benchmarking**
- **Project profession**

The Key Questions:

1 How do you ensure you do the right projects?

- Infrastructure Strategy and Policy

2 How do you do the projects right ?

- Infrastructure Methodologies and assurance processes

- The Business Case - 5 Case Model

Why is a Business Case Important?

A framework for scoping and planning spending proposals leading to efficient and effective spend

An artefact for internal and external approval

Accountability for funds/resources invested

Common structure, using international best practice

Repository for information and contribute to an evidence base

Enable post evaluation



But often...

Business cases:

Are viewed simply as a vehicle for gaining approval rather than a 'thinking document'

Have different standards/methodology applied which are often 'not fit for purpose'

Are often poorly presented

Are inherently optimistic with sub-optimal VfM

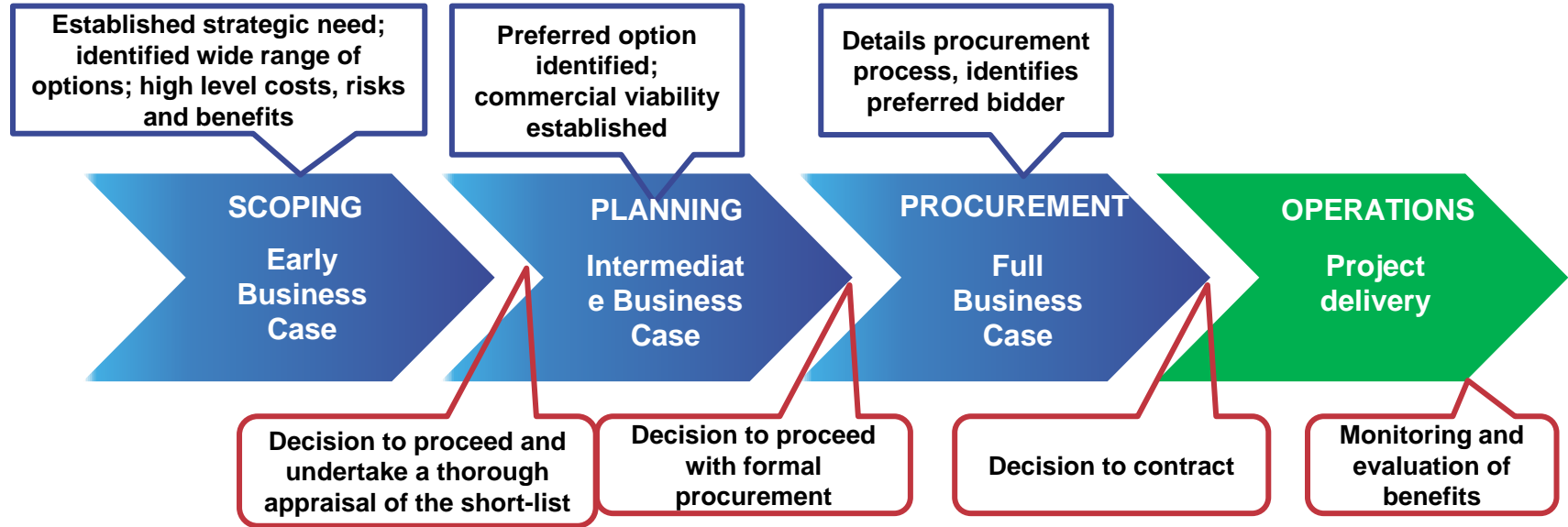
'Pet Projects' are often prioritised and there is a tendency to ignore past experience

The five questions are:

1. Is there a strategic need for the project?
2. Is the project economically and socially desirable?
3. Is the project commercially viable?
4. Is the project affordable?
5. Can the project be practically delivered?



Stages of development



Development can be stopped at any stage

Early Business Case

- Establishes strategic need and overall fit
- Makes case for change
- Indicates probable costs, benefits and risks
- Tests a wide range of options; identifies short-list
- Outline delivery arrangements



Strategic case

Economic case

**Commercial,
financial and
management
cases**

Intermediate Business Case

- Revisits the case for change
- Undertakes CBA on short-list options and identifies preferred option which best optimises balance of public value (cost, benefits & risk) to society (NPV)
- Confirms procurement strategy, potential deal and affordability
- Identifies expected resources
- Puts in place management arrangements for successful delivery

Strategic case

Economic case

Commercial case

Financial case

Management case

Full Business Case

- Confirms public value and that the most economically advantageous offer is being procured
- Sets out the commercial and contractual arrangements for the deal
- Confirms affordability
- Confirms delivery and benefits monitoring arrangements



Economic case



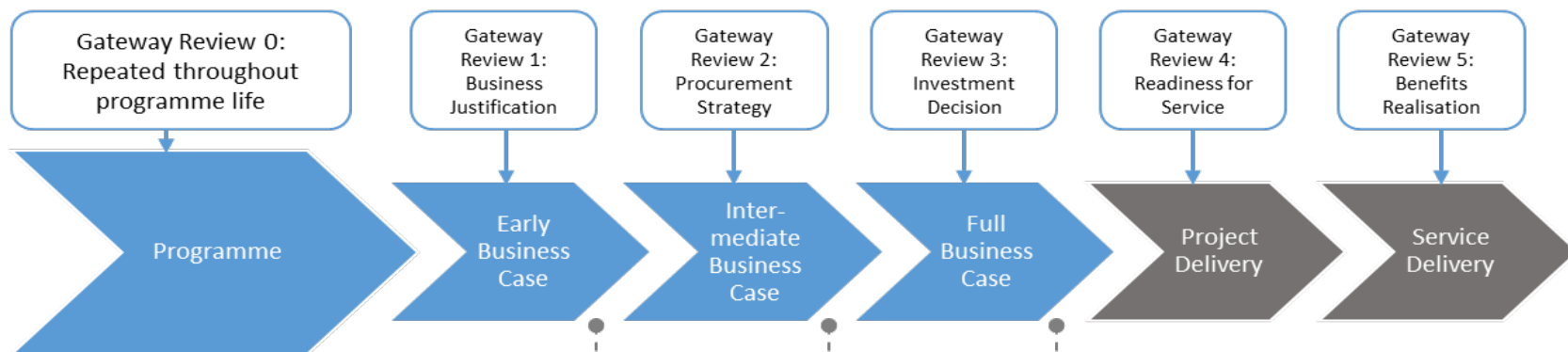
Commercial case



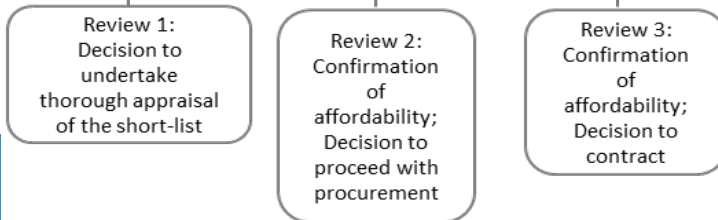
**financial and
management
cases**

Assurance and approval overview

Assurance



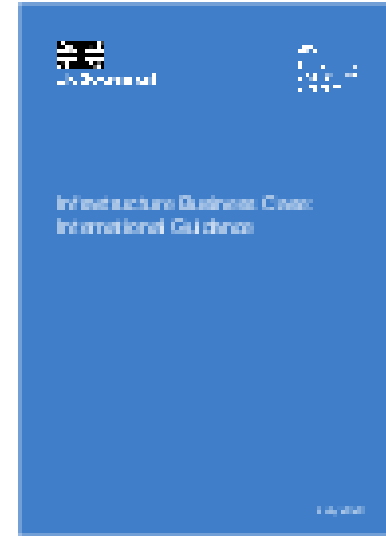
Approval



For further information please see:

["Infrastructure Business Case Guidance"](#)

[G20 Principles of Project Preparation](#)



[APMG International Accredited Exams](#)