



Bonneagar Iompair Éireann  
Transport Infrastructure Ireland

# TII Publications



---

## Project Appraisal Guidelines Unit 8.0 - Business Case

PE-PAG-02033  
February 2024

## About TII

Transport Infrastructure Ireland (TII) is responsible for managing and improving the country's national road and light rail networks.

## About TII Publications

TII maintains an online suite of technical publications, which is managed through the TII Publications website. The contents of TII Publications is clearly split into 'Standards' and 'Technical' documentation. All documentation for implementation on TII schemes is collectively referred to as TII Publications (Standards), and all other documentation within the system is collectively referred to as TII Publications (Technical).

## Document Attributes

Each document within TII Publications has a range of attributes associated with it, which allows for efficient access and retrieval of the document from the website. These attributes are also contained on the inside cover of each current document, for reference.

<b>TII Publication Title</b>	<i>Project Appraisal Guidelines Unit 8.0 - Business Case</i>
<b>TII Publication Number</b>	<i>PE-PAG-02033</i>

<b>Activity</b>	<i>Planning &amp; Evaluation (PE)</i>	<b>Document Set</b>	<i>Technical</i>
<b>Stream</b>	<i>Project Appraisal Guidelines (PAG)</i>	<b>Publication Date</b>	<i>February 2024</i>
<b>Document Number</b>	<i>02033</i>	<b>Historical Reference</b>	<b>PAG Unit 8.0</b>

## TII Publications Website

This document is part of the TII publications system all of which is available free of charge at <http://www.tiipublications.ie>. For more information on the TII Publications system or to access further TII Publications documentation, please refer to the TII Publications website.

## TII Authorisation and Contact Details

This document has been authorised by the Director of Professional Services, Transport Infrastructure Ireland. For any further guidance on the TII Publications system, please contact the following:

Contact: Standards and Research Section, Transport Infrastructure Ireland  
Postal Address: Parkgate Business Centre, Parkgate Street, Dublin 8, D08 DK10  
Telephone: +353 1 646 3600  
Email: [infoPUBS@tii.ie](mailto:infoPUBS@tii.ie)

---

## TII Publications



---

<b>Activity:</b>	Planning & Evaluation (PE)
<b>Stream:</b>	Project Appraisal Guidelines (PAG)
<b>TII Publication Title:</b>	Project Appraisal Guidelines Unit 8.0 - Business Case
<b>TII Publication Number:</b>	PE-PAG-02033
<b>Publication Date:</b>	February 2024
<b>Set:</b>	Technical

---

## Contents

<b>1. Overview .....</b>	<b>1</b>
<b>2. Context.....</b>	<b>3</b>
<b>3. Structure and Content of the Business Cases .....</b>	<b>5</b>

**Updates to TII Publications resulting in changes to  
Project Appraisal Guidelines Unit 8.0 - Business Case PE-PAG-02033**

**Date:** March 2021

**Page No:**

**Section No:**

**Amendment Details:**

Update to bring into compliance with the Public Spending Code (December 2019).

**Updates to TII Publications resulting in changes to  
Project Appraisal Guidelines Unit 8.0 - Business Case PE-PAG-02033**

**Date:** February 2024

**Page No:**

**Section No:**

**Amendment Details:**

Updated PAG unit to align with TII Project Management Guidelines (May 2023) and DoT Transport Appraisal Framework (June 2023)

## Contents Table

<b>1. Overview .....</b>	<b>1</b>
1.1 Classification of TII Projects .....	1
<b>2. Context.....</b>	<b>3</b>
2.1 Preliminary Business Case (Phase 3) .....	3
2.2 Detailed Business Case (Phase 5 Pre-Tender) .....	4
2.3 Final Business Case (Phase 5 Post Tender) .....	4
<b>3. Structure and Content of the Business Cases .....</b>	<b>5</b>

# 1. Overview

The business case document is the primary deliverable summarising the project appraisal process and is developed and updated as the project progresses through its project lifecycle. The business case also includes a summary of many other important aspects of the project management and delivery process, alongside the appraisal process.

This PAG Unit outlines the structure and detail to be provided in the business case document and outlines the project phases for which the business case must be prepared. Moreover, this Unit sets out the category of projects for which business case documents are required to be prepared.

This PAG Unit has been developed with reference to the Department of Transport’s (DoT) Transport Appraisal Framework (TAF) (June 2023) which outlines the approach to the preparation of Business Cases for transport capital projects.

The lifecycle of a TII capital project is split into 8 defined project phases (Phases 0 – 7) as illustrated in Figure 8.1. The business case should be prepared at the following project phases:

- Phase 3 Design and Environmental Evaluation - Preliminary Business Case
- Phase 5 Enabling and Procurement - Detailed Business Case (Pre-Tender)
- Phase 5 Enabling and Procurement - Final Business Case (Post-Tender)

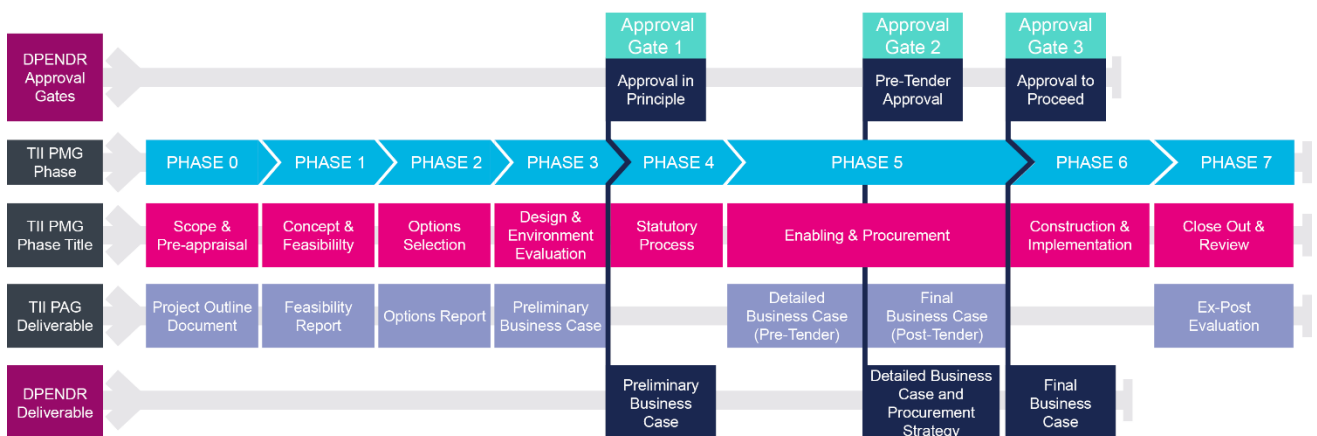


Figure 8.0.1 TII Project Management Guidelines Project Phases

## 1.1 Classification of TII Projects

TII Projects<sup>1</sup> are generally broken down into four main categories under TII’s PAG based on the size of estimated project budget. Each budget threshold requires a different scale of appraisal, which is proportionate to the size of the project. The four budget categories are as follows:

- Greater than or equal to €200m
- Greater than €30m but less than €200m
- Greater than €5m but less than €30m
- Greater than €0.5m but less than €5m

<sup>1</sup> For the categorisation of projects capital expenditure costs are inclusive of VAT.

PAG Unit 2.0 - Project Appraisal Deliverables provides full details of the deliverables for each project category.

For proposals with estimated costs below €30m, there are separate deliverables required. For projects with likely costs under €30 but above €5m, and most Greenway and Active Travel projects, a Project Appraisal Report is required in lieu of a full business case.

This deliverable is in essence a condensed form of the standard business case documents required for more costly proposals. Further details in relation to the development of a Project Appraisal Report are provided in PAG Unit 12 – Minor Projects (€5m - €30m)

Under this guidance and in accordance with the TAF, business case documents are not required for projects costing less than €5m. Further details in relation to the appraisal for projects of €5m or less are provided in PAG Unit 14.0 – Minor Projects (€0.5 - €5m).

## 2. Context

### 2.1 Preliminary Business Case (Phase 3)

The appraisal work that feeds into the Preliminary Business Case (PBC) will build on work commenced in the Phase 1 Feasibility Report (FR) and continued in the Phase 2 Options Report (OR). The Phase 3 appraisal involves further detailed appraisal of the Preferred Option following detailed consideration of scheme planning, design and costs during the Phase 3 Design and Environmental Evaluation process.

The PBC brings together relevant details from previous deliverables such as the FR and the OR to form a complete statement documenting the rationale behind, and justification for the project following the Phase 3 Design and Environmental Evaluation process.

The PBC enables the Sponsoring Agency to bring together all of the evidence to support their contention that the scheme should be implemented. The PBC will form the basis upon which the Approving Authority makes a decision to progress to the next stage of the project and ultimately sanction its implementation. Therefore, the PBC must provide a complete picture of all of the arguments for the scheme together with all the positive and negative impacts of the scheme in question in a non-biased approach.

With reference to Figure 8.0.1, the PBC is the key deliverable at Gate 1 (Approval in Principle) in the transport project lifecycle from TAF. For projects with costs of €200m or more, the PBC must be approved by the Approving Authority and where necessary, DoT<sup>2</sup> before the proposed scheme can formally proceed to Phase 4 (Statutory Process).

The elements of a PBC as set out under the TAF are as follows:

- Project or programme context
- Review and confirmation of rationale for the project or programme as set out in the Project /Programme Outline Document (POD)
- The strategic relevance of the proposal
- Detailed objectives of the proposal which should be developed in line with SMART (Specific, Measurable, Attributable, Realistic and Time-Bound) objective setting principles;
- A framework for developing Key Performance Indicators (KPIs)
- Detailed demand analysis and description of underlying assumptions
- Discussion of lessons learned from similar previous or ongoing schemes
- A longlist of identified feasible options and a summary of the longlist appraisal results from the FR
- Details on the detailed appraisal process from the OR to select a preferred option for the scheme, including results of the financial appraisal, economic appraisal and Sensitivity Analysis
- An affordability assessment of shortlisted options within existing resources; Risk assessment of shortlisted options and risk management strategy for the preferred option. This should include an assessment of delivery risk of options

---

<sup>2</sup> For proposals with an estimated capital cost in excess of €200m, Government consent must also be sought for the PBC and FBC.



- Proposed approaches to procurement, implementation and operation of the preferred scheme option
- Plan for monitoring & evaluation including KPIs
- Recommendation for the Approving Authority which can include recommending not continuing with the proposed scheme

## **2.2 Detailed Business Case (Phase 5 Pre-Tender)**

The purpose of the Detailed Business Case (DBC) produced at Phase 5 (Enabling and Procurement) is to reassess the assumptions underpinning the PBC and reconsider the findings emerging prior to the tendering process. This will include any changes to the project which may have been conditioned as part of the planning approval process following the Phase 4 Statutory Processes stage.

A Procurement Strategy and Project Execution Plan are also developed at this stage alongside the Detailed Business Case; however these documents are not project appraisal deliverables. Guidance on the content and development of these documents is provided within the TII PMG.

## **2.3 Final Business Case (Phase 5 Post Tender)**

The Detailed Business Case produced at Phase 5 prior to the tendering process is updated following the tender process to form the Final Business Case (FBC) which takes into account the Main Contract Construction cost.

Building upon the DBC the contents of the FBC must be expanded to include the following:

- Final confirmation of the rationale for investment and strategic relevance of the proposal
- Confirmation that SMART objectives set for the proposal can be reasonably achieved
- Revised economic and financial appraisals using information from the tendering process
- Re-examination of affordability within existing resources and with particular reference to the Medium-Term Capital Envelopes for TII projects financed and funded by the Exchequer
- Full risk assessment and consideration of remaining optimism bias
- Benefits Realisation Plan
- Evaluation Plan

### 3. Structure and Content of the Business Cases

The PBC, DBC and FBC should be prepared in accordance with the structures outlined in Table 8.0.1. These structures are consistent with the requirements presented in the TAF

The TII have developed a Business Case Template that is available for download from the “Downloads” section of the TII Publications website<sup>3</sup> under section PE-PAG-02033\_Unit 8.

The business case should be supported by and make reference to the following documents which can be included as appendices to the business case document, where appropriate:

- Phase 1 Feasibility Report (FR)
- Phase 2 Options Report (OR)

The appendices for the business case should generally only include the current phase PAG deliverables relevant to the current phase of the business case. The business case document should provide a summary of the key points of the FR and OR can reference specific sections of these documents where relevant.

---

<sup>3</sup> <https://www.tiipublications.ie/downloads/>

**Table 8.0.1 Structure of the Preliminary, Detailed and Final Business Cases**

Section		Content
Executive Summary		The BC should include an Executive Summary at the outset of the report providing a summary of the problem that the project is intending to solve, the options considered, and the estimated impacts.
1	Introduction	The first section of the BC provides the background to the project and its development to date. The purpose of the business case should also be outlined in this section.
2	Project Context	<p>Full details on the need for the scheme should be presented in this section of the BC and draw upon the relevant details regarding the strategic role and investment rationale developed for the Phase 1 OR and Phase 2 FR.</p> <p>This section needs to include the SMART objectives originally developed as part of the OR as well as details on the defined study area for the proposal. The objectives should be clearly defined and independent of each other, and specifically relevant to the identified needs and opportunities. The objectives and can be classed under the TAF appraisal criteria headings (Transport User Benefits and Other Economic Impacts, Accessibility Impacts, Social Impacts, Land Use Impacts, Safety Impacts, Climate Change Impacts and Local Environmental Impacts).</p> <p>KPIs which are linked to the scheme objectives should also be presented in this section. The KPIs against which the project can be evaluated and monitored both qualitatively and quantitatively) need to be included. Where relevant, lessons learned from similar projects can be included in this section.</p> <p>This section of the BC will evolve as the project progress and new/additional information becomes available. A logic path model (diagram) showing the linkages between the project inputs, activities, outputs and outcomes is required.</p> <p>Information included in the Phase 1 Feasibility Report can be utilised to inform this section of the BC.</p>
3	Analysis Tools	<p>This section of the business case should provide an overview of the analysis tools and assessment methods used in the appraisal of the project. Such tools may include transport models, safety models, economic models, emissions models and accessibility models. Details should be based on the content of Section 5 of the OR from Phase 2. Examples of details from the OR include:</p> <ul style="list-style-type: none"> <li>• Descriptions of the analysis tools used to provide evidence such as transport models and GIS</li> <li>• Details on the different assessment methods used including in the Multi-Criteria Analysis .g. TAA, CBA and CEA)</li> </ul>
4	Options Assessment	<p>A description of the structured process undertaken to identify the preferred option for the project should be provided in this section and should cover the following:</p> <ul style="list-style-type: none"> <li>• Identification of Strategic Options across all modes and intervention types (Phase 1)</li> <li>• Development of Preliminary Options (Phase 2, Stage 1)</li> <li>• Detailed Appraisal of Preliminary Options (Phase 2, Stage 2)</li> </ul>

Section		Content
		<p>Reference should be made to PAG Unit 4.0. A Multi-Criteria Analysis (MCA) approach should be adopted as per the guidance set out in PAG Unit 7.0.</p> <p>Details of the cost of each option should be provided in the BC alongside expenditure profiles and an assessment of affordability/funding sources.</p> <p>Any incremental analysis undertaken as part of the appraisal of options should be provided.</p>
5	Preferred Option	<p>Introduction of the preferred option emerging from the Phase 2 Option Selection process. This section should provide information on the design standards used, and present demand projections for the preferred option. The chapter should also set out the detailed composition of scheme costs for the preferred option. The scheme costs and assessment of affordability/funding sources should be reviewed/updated at each project phase.</p>
6	Appraisal of Preferred Option	<p>An overview of the detailed appraisal of the preferred scheme should be included and where appropriate other shortlisted options, including the following:</p> <ul style="list-style-type: none"> <li>• Financial Appraisal</li> <li>• Economic Appraisal</li> <li>• Sensitivity Analysis</li> <li>• Transport and Accessibility Appraisal</li> </ul>
7	Risk Assessment	<p>The business case needs to include the key identified risks for the project that require consideration in any decision-making process, and in subsequent stages of the project. When identifying risks for shortlisted options it is worth considering cost risks, programme risks, funding risks, affordability risks and acceptability risks. A risk mitigation strategy should be provided which outlines how risks were identified, evaluated, monitored and tracked.</p> <p>This section should draw upon the material prepared in earlier phases including the appendices for the Phase 2 OR such as the risk and value management , environmental evaluation reporting and public consultation feedback.</p>
8	Procurement	<p>A discussion on procurement strategies or the preferred procurement strategy if such has been decided should be included in the PBC. A separate Procurement Strategy document is required alongside the Detailed Business Case at Phase 5 (Pre-Tender)</p>
9	Implementation Proposals and Benefits Realisation	<p>Relevant proposals for constructing/implementing the project (e.g. phasing) and the associated timescales should be provided in the PBC and FBC. For the FBC it is important that information regarding the approved scope of the scheme including design and specification is included from the Detailed Project Brief.</p> <p>The FBC should also include a discussion of how the envisioned benefits of the scheme will be realised. This should be captured as part of the Benefits Realisation Plan.</p>

Section		Content
10	Monitoring & Evaluation Plan	<p>A monitoring and evaluation plan is a requirement within the PBC. This plan ensures that the project can be evaluated robustly against its Key Performance Indicators either at the end of the project and/or at the pre-selected time in the future.</p> <p>The monitoring and evaluation plan should be updated as part of the FBC.</p>
11	Conclusion and Recommendation to the Approving Authority	<p>A brief conclusion summarising the BC process, its current stage and its compliance with TAF should be included.</p> <p>The PBC, DBC and FBC should include a recommendation for the Approving Authority to allow the scheme to proceed to the next phase.</p>

The business case should be supported by and make reference to the following documents where appropriate:

- Feasibility Report (FR)
- Options Report (OR)
- Transport Modelling Report (TMR)
- Cost Benefit Analysis (CBA) Report

The appendices for the business case should generally only include the current phase PAG deliverables relevant to the current phase of the business case. The business case document should provide a summary of the key points of the FR, OR, TMR, and CBA and can reference specific sections of these documents where relevant.





 Ionad Ghnó Gheata na Páirce,  
Stráid Gheata na Páirce,  
Baile Átha Cliath 8, D08 DK10, Éire

 Parkgate Business Centre,  
Parkgate Street,  
Dublin 8, D08 DK10, Ireland

 [www.tii.ie](http://www.tii.ie)

 [info@tii.ie](mailto:info@tii.ie)

 +353 (01) 646 3600

 +353 (01) 646 3601