DETAILED BUSINESS CASE OVERVIEW

The Detailed Business Case develops the evidence to demonstrate the preferred option is the best solution to be taken forward to implementation

The **DETAILED BUSINESS CASE** is the fifth step in the NZ Transport Agency's Business Case Approach (BCA), which is founded on some overarching principles:

- **Quality analysis** – Our work should be evidence based, thoughtful and focused.
- **Fit for purpose effort** – We should right size our effort to the risks and uncertainties. One size should no longer fit all.
- **No surprises** – Building up the investment story gradually and identifying the risks and uncertainties allows issues to be addressed earlier in the process when it is more cost effective to deal with them.
- **Aligned to our management processes** – The BCA works with the methodologies, approaches and processes we have in place and is complementary to those.

WHAT IS THE AIM OF A DETAILED BUSINESS CASE

The main purpose of the detailed business case is to provide evidence that the preferred option provides the best feasible solution, that it will deliver the outcomes identified in the strategic case, and that it is affordable. The development of the detailed business case typically follows promptly from the indicative business case recommendation.

This phase undertakes the necessary, more detailed analysis of the costs, risks and benefits to demonstrate the feasibility before proceeding to pre-implementation. The detailed business case phase should provide a concise summary of the previous work undertaken to demonstrate that the Business Case Approach has been followed and that the investment story is sound.

The size of the report will be determined by the complexity of the transport planning exercise undertaken. The report is intended to act as a summary of technical reports completed throughout the DBC study and, as such, the principal audience should be viewed as the public. Where appropriate, the DBC report should refer to the availability of technical reports rather than including such technical reports.

WHAT IS EXPECTED

Within the indicative business case information was used to analyse options; now more detailed information is required to provide a rigorous evaluation. Assumptions need to be tightened to provide surety to the investor/s on the benefits to be delivered and costs and associated risk around those.

The detailed business case should consider all relevant technical requirements as well as a detailed analysis of the risk and uncertainty associated with the preferred option. A wide range of relevant stakeholders may need to be involved in this step to find the best solution including government departments, approved organisations, local iwi, etc, as relevant to the option.

A robust detailed business case should:

- Provide a compelling case for change.
- Put in place plans for successful delivery – project change, benefits, risk management and post project evaluation.
- Cover the economic, financial, commercial and management aspects of the project.
- Provide assurance that the preferred option is the right approach to deliver the desired outcomes and is a solution to the identified problems.
- Confirm that the preferred option is the right investment, it is affordable and provides value for money.
- Provide adequate information to the investor around outcome and cost risk for them to assess whether to proceed to delivery through pre-implementation and implementation.

THE DETAILED BUSINESS CASE REPORT

PART A PROBLEM/ OPPORTUNITIES

- Reconfirm outcomes of IBC are still relevant
- Develop the preferred option assessment
- Develop preferred option economic analyses and affordability
- Undergo a more detailed investigation of option
- Economic case
- Financial case
- Complete all required environmental screen, design philosophy statement, third party audits

PART B READINESS & ASSURANCE

- Consider feasibility of option
- Develop consenting/consultation strategy
- Liaise with relevant stakeholders
- Consultation
- Commercial case
- Management case
- Implementation planning

POINT OF ENTRY | STRATEGIC CASE | PROGRAMME BUSINESS CASE | INDICATIVE BUSINESS CASE | **DETAILED BUSINESS CASE** | PRE-IMPLEMENTATION / IMPLEMENTATION | POST IMPLEMENTATION

KEY QUESTIONS CONSIDERED ARE

As you work through the process of the detailed business case, consider the following:

GENERAL

1. Does it tell the story as to why this is the right option?
2. Revisit the case for change and confirm the strategic need and outcomes sought – are these still relevant?
3. Does it adequately confirm and develop the preferred option through detailed whole of life analysis of costs, benefits, intangible benefits, risks and uncertainties?
4. Does it adequately confirm the efficiency rating and prepare delivery, consenting, procurement and property strategies where necessary?
5. Does it establish risk allocation, payment mechanisms and contracts?
6. Does it adequately confirm affordability and funding?
7. Does it put in place plans for successful delivery – project, change, benefits, risk management and post project evaluation – which are unambiguous and form a clearly detailed, costed proposal for pre-implementation/implementation?
8. Can the solution really be delivered (costs, risks, timeframes, governance, etc)?

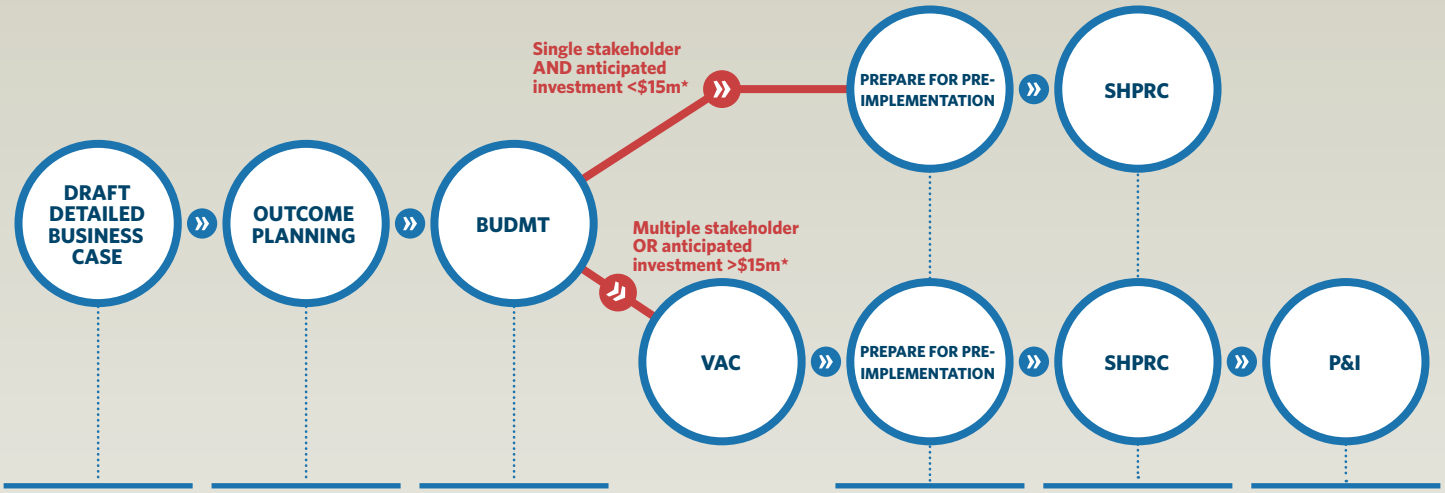
WHERE DO I GET SUPPORT

REGION	REGIONAL HNO	TECHNICAL SPECIFICATION	HNO TEAM
Auckland/ Northland	Mieszko Iwaskow	Environment and Urban Design	Rob Hannaby
Waikato	Anuradha Fitzwalter	Pavements	John Donbavand
Bay of Plenty	Mark Haseley	Safety	Fergus Tate
Central	Selwyn Blackmore	Structures	Barry Wright
Christchurch	Mike Blyleven	Property	Malcolm Watson
Dunedin	Tony Sizemore	Outcome Planning	Neil Cree
		Procurement	Richard Quinn
		Commercial	Peter Spies
		Maintenance	Dave Darwin
		Operations	Kathryn Musgrave

Investment advice should be sought from your Regional/National P&I Planning and Investment Manager in the first instance.

- Best practice for business cases (on OnRamp)
- NZTA Highways Information Portal (HIP) (http://hip.nzta.govt.nz/)
- NZTA Planning and Investment Knowledge Base (https://www.pikb.co.nz/)
- outcomeplanning@nzta.govt.nz

HNO APPROVALS PROCESS



In drafting the detailed business case, it is expected that all key questions are considered throughout the process.

A final quality step to provide an assessment of Part A against the investment questions to support submissions to BUDMT/VAC/P&I.

It is expected that engagement with Outcome Planning would occur during production of the detailed business case so that substantive issues are addressed during authoring.

Regional HNO Management teams consider the draft detailed business case.

Prior to BUDMT engage with regional P&I on final draft to promote no surprises.

In finalising the detailed business case and preparing for pre-implementation it is expected that engagement and alignment with ILM participants, regional P&I and HNO national office has been ongoing.

SHPRC undertake final quality/completeness programme checks prior to supporting submission to P&I OR approving pre-implementation funding under delegated authority.

P&I delegations apply.

* This will be reviewed over time