

United Kingdom

Five Case Model



TYPE OF TOOL
*Methodology/
Guidelines/
Requirements*



MAIN SECTOR
All sectors



INFRASTRUCTURE GOVERNANCE PILLARS
*Fiscal sustainability, affordability and
value for money*

In a nutshell



OBJECTIVE: The Five Case Model is the approach for developing business cases for all centrally funded projects.



Agency in charge
HM Treasury



Levels of government
National



Year of implementation
2013



Current status
Fully operational

Overview

The Five Case Model is the required standard for developing a business case for public investments in the United Kingdom. It has been adopted by the G20 as an international standard for preparing infrastructure projects in 2018 as best practice. The model comprises of five key dimensions to help select the most suitable solution and refine the proposal:

- **The Strategic Case** helps make the case for change and demonstrate how it provides strategic fit. It requires a clear understanding of the current situation and the rationale, drivers and objectives for the spending proposal, which must be made SMART – Specific, Measurable, Achievable, Relevant and Time constrained – for the purposes of post-evaluation.
- **The Economic Case** helps identify the proposal that delivers best public value to society, including wider social and environmental effects. It requires a wide range of realistic options to be appraised (the long-list), in terms of how well they meet the desired outcomes and critical success factors for the scheme; and then a reduced number of possible options (the short-list) to be examined in further detail.
- **The Commercial Case** helps demonstrate that the preferred option will result in a viable procurement and a well-structured Deal between the public sector and its service providers. It requires an understanding of the marketplace, knowledge of what is realistically achievable by the supply side, commercially viable procurement routes that will deliver best value to both parties, the services, outputs and milestones required to be achieved and how the potential risks can best be allocated.
- **The Financial Case** helps demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. It requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how the Deal will impact upon the balance sheet, income and expenditure and pricing arrangements (if any) of the organisation.
- **The Management Case** helps demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the organisation's strategic planning cycle.

REFERENCES:

- HM Treasury (2018), *Guide to developing the project business case*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf