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**From:** Nina Cuckow - TSS  
**Sent:** 17 October 2006 16:51  
**To:** Geoff Gilbert  
**Cc:** Fiona Duncan  
**Attachments:** OB paper.doc

Geoff

As requested, I attach an outline paper on risk and optimism bias which I hope aids your understanding. It is basically a regurgitation of existing work in the area and my own experience of corporate investment processes within the private sector. Unfortunately, without going through the T&T/TSS approvals process I cannot make recommendations on something which will be tie policy.

Ultimately, I believe the reported figure will come down to a trade off between what Transport Scotland designates, business case requirements and what the project feels it requires for management purposes. Too high and the project will not be allowed to go ahead, too low and the project will not have enough funds to manage!

Hope it helps. If you have any queries, please let me know.

Cheers

Nina

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