Treasury approvals process for programmes and projects
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November 2016
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Introduction

1.1 Spending Review 2015 set Resource Departmental Expenditure Limit (DEL) funding to 2019-20 for departments, and through to 2020-21 for Capital DEL spending. In this new Spending Review period and beyond, it is important that the core financial management principles of robust reporting, appraisal and spending control are embedded across government departments.

1.2 The Treasury requires all departments to manage DEL and Annually Managed Expenditure (AME) programmes in a way that maximises effectiveness, efficiency and economy in the use of public funds. Each department’s Accounting Officer (AO) is ultimately responsible to Parliament for keeping spending within control totals and in line with the principles of ‘Managing Public Money’.¹

1.3 Treasury spending control requires all government departments to keep in regular contact with their Treasury spending team, ensuring that any risks to budgetary totals are properly reported. The Treasury scrutinises and approves project and programme spending outside delegated authorities: to ensure that all spending proposals reflect the priorities of the government of the day and meet the 4 criteria for the use of public funds, as documented in Managing Public Money – regularity, propriety, value for money and feasibility. Often the value for money criterion is the most difficult to demonstrate. To this end, all spending proposals must be developed and presented in accordance with the Green Book supplementary 5-case model and Business Cases guidance.³

1.4 This guidance explains the Treasury Approvals Point (TAP) process and arrangements for the scrutiny and approval of all spending proposals that are above Delegated Authority Limits (DAL) set by the Treasury. These guidelines will ensure that good practice is applied consistently across government clearly aligning the assurance and approvals processes.

Definitions

1.5 This guidance covers both programmes and projects that meet the criteria set out in Box 1.A. According to HMT Better Business Cases methodology, projects and programmes are defined as follows:

- **project**: a temporary organisation that is created for the purpose of delivering one or more business products, according to an agreed business case
- **programme**: a series of planned measures, related events and coordinated activities in pursuit of long-term goals

1.6 Managing Successful Programmes (MSP), a methodology that comprises a set of principles for use when managing a programme, defines a programme as “a temporary, flexible organisation created to co-ordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation’s strategic objectives”.

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1.7 Sometimes large projects are often referred to as programmes. In practice, the key differences between programmes and projects are:

- programmes focus on the delivery of outcomes and projects usually focus on the delivery of outputs
- programmes are comprised of enabling projects and activities
- programmes usually have a longer life span, may consist of a number of tranches and take several years to deliver
- programmes are usually more complex and provide an umbrella under which their enabling projects can be co-ordinated and delivered

1.8 It is important to note that there are areas where HM Treasury authority are never delegated and accordingly, it is assumed that projects which exhibit any of the characteristics outlined in the box below will also be classed as major projects and must be subject to the Treasury approvals process.

1.9 Departments should contact their HMT spending team if a major project or programme qualifies for one or more of the characteristics below.

**Box 1.A: Characteristics of a major project or programme that qualifies for Treasury approval process**

- above Delegated Authority Limit (DAL), and
- could create pressures leading to a breach in Departmental Expenditure Limits, administration cost limits, or Estimates provision
- would entail contractual commitments to significant levels of spending in future years for which plans have not been set
- could set a potentially expensive precedent
- is novel and contentious; or could cause significant repercussions, posing risks to the public sector
- requires primary legislation or where Treasury consent is a statutory requirement

1.10 All major projects and programmes defined in this way are generally entered on to the Government Major Projects Portfolio (GMPP). Entry onto the portfolio may also be agreed mutually by the Infrastructure and Projects Authority (IPA) and the relevant HMT spending team, after discussion with the department.

1.11 The provisions set out in this guidance are mandatory for all major projects and programmes and are structured as follows:

- Chapter two: purpose and scope of the Treasury approvals process for major projects and programmes above DAL
- Chapter three: IPA assurance framework for major projects

1.11.1 The main text is followed by a series of annexes including guidance which supports practical implementation.
Introduction

2.1 This chapter sets out the purpose and scope of the Treasury approvals process to assist departments in the preparation of a Treasury Approval Point (TAP) review. The objective of this process is to scrutinise and approve spending projects and programmes from the perspective of delivery of optimum public value for money.

2.2 The Treasury approval process applies to all government departments and other public bodies for spending above delegated limits or which is novel, contentious or significantly repercussive for future public finance.

2.3 Scrutiny and approval of Public/Private Partnerships (PPPs) and proposals for sale of assets are conducted in the same way as all other proposals for spending or the use of existing public sector resources where the Green Book and Business Case guidance apply.

2.4 The overall Treasury approvals process is underpinned by 4 key principles:

1. **Consistency**: TAP review will be consistently applied across government and final decisions will be signed off at ministerial, Treasury director or deputy director level and communicated in writing by HMT

2. **Discrete times process**: the TAP process will have an agreed end date, allowing departments to fit the process around their project timelines

3. **Improving value for money**: TAP review will focus on optimum public value within a budget constraint and risk to the public sector

4. **Green Book**: all proposals to spend public money and to sell public assets must be developed and presented in accordance with the Treasury’s Green Book guidance and its supplementary guidance on development of business cases using the best practice 5-case model

When in the process are projects or programmes reviewed?

2.5 The development lifecycle of projects and programmes varies so the scrutiny and approval process differs to reflect that. The subject matter and use of the guidance is common to both.

2.6 Many projects are part of an overarching programme. The classic model for project development scrutiny and approval consists of three stages, which are:

- Strategic Outline Case (SOC)
- Outline Business Case (OBC)
- Full Business Case (FBC)

However, the number of stages may be varied by agreement with the Treasury if required by the circumstances of the case. For further guidance on this see the Green Book and the supplementary business case guidance.
2.7 The following tables provide an outline of the basic TAP framework, however, additional TAP approvals may be required where decisions involving use of public resources make it necessary.

2.8 **Table 2.A and 2.B** explain the different approval points for both programmes and projects, including how HMT approvals and IPA assurance processes work together. IPA Gateways and assurance reviews are conducted alongside the approvals process and provide HMT spending teams with valuable input to support the scrutiny of major projects and programmes.

2.9 More information on the IPA assurance framework can be found in Chapter 3 and by referring to the link to the IPA webpage.¹

<table>
<thead>
<tr>
<th>Stage in development of programme</th>
<th>Activity</th>
<th>How does the approval relate to IPA assurance?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparatory phase before project initiation</td>
<td>Research and development of the initial proposal before formal initiation of the programme. To help projects set up for success, IPA can provide direct support to departments through the use of project initiation tools such as ‘Routemap’ assessment and Critical Friend reviews.</td>
<td>Project Validation Review (PVR), formerly known as ‘Starting Gate’, - commissioned by the IPA, takes place at an early stage and prior to entry onto the Government’s Major Project Portfolio (GMPP). Gateway Review 0 – Process Review, - commissioned by the IPA, applies to programmes only and takes place before moving on to production of the SOC.</td>
</tr>
<tr>
<td>1. Strategic Assessment</td>
<td>The purpose of this stage is to confirm the strategic context of the proposal and make the case for change. It contains most of the elements of a SOC and an OBC at project level. It may require one or two approval points to agree an optimum programme design. This stage examines a long list of options using the options filter. It identifies and sequences the projects and other activities required to complete the programme. Arrangements for programme management, reporting milestones and the tranches within which the programme will be regularly reviewed for approval. Approval of the outline of the programme, estimated timescale and funding envelope and arrangements for its regular review are agreed. Individual activities and projects within the programme are separately subject to the normal proportionate project approval process.</td>
<td>Gateway Review 1 – Business Justification (commissioned by the Project Manager), takes place to provide assurance once the business justification is drafted. Project Assessment Review (PAR) – Part of TAP process commissioned by IPA, to provide tailored assurance in support of scrutiny and approval, can take place at any time but typically is required at submission for approval.</td>
</tr>
<tr>
<td>Stage in development of programme</td>
<td>Activity</td>
<td>How does the approval relate to IPA assurance? Preceded by at least one of the following:</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
| **2. Subsequent Tranches**  
Programme should be reviewed at regular intervals in tranches agreed by the reviewing authority at the Strategic Assessment stage. The length and complexity of programmes means that approval relates to outline timing and spending tranche by tranche. As a minimum these should take place at annual reviews. The number and frequency of these tranches depends on the length, size and complexity of the programme.  
Individual components of a programme are still subject to the normal project approval process although the programme context should make the SOC stage more straightforward. | Monitoring and management of the critical path, spending envelope, output delivery and risk.  
Approval required for each tranche and modification of the programme as needed.  
These stages are repeated until the programme is complete. | PAR repeated at each stage as appropriate to programme development.  
For completion of the programme, before close, Gateway Review – Readiness to implement and delivery strategy. |

*Source: Treasury Business Case guidance*
Table 2.B: Project scrutiny and approval

<table>
<thead>
<tr>
<th>Stage in development of project</th>
<th>Activity</th>
<th>How does the approval relate to IPA assurance?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparatory phase before project initiation</td>
<td>Research and development of the initial proposal before formal initiation of the project.</td>
<td>Project Validation Review, formerly known as Starting Gate, takes place at an early stage in the research and preparation phase (commissioned by the IPA).</td>
</tr>
<tr>
<td>1. Strategic Outline Case (SOC)</td>
<td>The purpose of the SOC is to confirm the strategic context of the proposal and make the case for change. SOC examines a long list of options using the options filter to produce an optimum short list for analysis at the OBC stage.</td>
<td>Gateway Review 1 – Business Justification (commissioned by the Project Manager)</td>
</tr>
<tr>
<td></td>
<td>Approval of the short list to take forward to the OBC is required.</td>
<td>Project Assessment Review (PAR) – Provides information used in approval at SOC (commissioned by IPA)</td>
</tr>
<tr>
<td>2. Outline Business Case (OBC)</td>
<td>Detailed appraisal of the short list of options to identify a preferred option based on cost benefit or cost effectiveness analysis. This includes risk analysis, costing and initial design of procurement, or if required, sale.</td>
<td>Gateway Review 2 – Delivery Strategy, or PAR as appropriate</td>
</tr>
<tr>
<td></td>
<td>Approval required before going to the market.</td>
<td></td>
</tr>
<tr>
<td>3. Full Business Case (FBC)</td>
<td>Revisit the Business Case to incorporate the effects of the preferred bid to test validity of the chosen option and to rework and adjust options if or as required.</td>
<td>Gateway Review 3 – Investment Decision</td>
</tr>
<tr>
<td></td>
<td>Approval required before signing off commercial contracts.</td>
<td>PAR</td>
</tr>
</tbody>
</table>

Source: Treasury Business Cases guidance

In some cases a project may require additional stages, such as, the use of competitive dialogue where 4 stages are required as a minimum while other projects which are part of a programme with very clearly defined strategic requirements may, subject to Treasury approval, combine the SOC and OBC.
2.10 Some simpler projects that are part of a programme have a very lean and limited strategic case that is handed down from the programme which they support. In such cases a merging of the SOC and the OBC may be efficient and justified. Where competitive dialogue is involved an additional stage is required between OBC and the completion of the FBC.

2.11 Programmes which cannot be fitted into the three stage development of a project and the Treasury Business Case guidance should be followed when agreeing the review stages of a programme approval process. In all cases the appropriate programme or project Treasury Business Cases guidance should be followed.

2.12 Experience shows that projects too frequently go off track after FBC stage. The Treasury will therefore agree with the department for each project or programme a set of milestones in addition to these key stages where approval must be sought. The Treasury reserves the right to add further approval milestones where necessary.

2.13 The department must continue to provide the Treasury and the IPA with details of major projects after FBC approval and until the major project is operational. Relevant information will at least in part be provided through the regular reporting by departments to the GMPP.

2.14 HM Treasury considers major project approvals in the context of departmental portfolios. This may include the consideration of the affordability and deliverability of departments’ portfolio as a whole.

2.15 This approval process does not reduce or replace the personal responsibility to Parliament held by the relevant Accounting Officer (AO) for the value for money of the project or programme. All projects and programmes which seek a TAP also require prior AO approval, which would normally be based on an AO assessment by the department.

2.16 Senior Responsible Owners (SRO) should refer major projects and initiatives to Accounting Officers for approval to proceed at all key stages of implementation, where there are significant questions about value for money which have not been addressed at earlier stages.

**Working with the IPA**

2.17 The Infrastructure and Projects Authority (IPA) is a unit that reports jointly to the Chancellor and the Minister for the Cabinet Office with a remit to coordinate the planning, prioritisation and enablement of investment in UK infrastructure, and to improve the delivery of the government’s major projects.

2.18 The IPA also report to Treasury for Public Private Partnerships (PPP) policy, including Private Finance 2. Authorities considering undertaking any form of PPP are encouraged to engage with the PPP team in IPA at the earliest opportunity. All PPP projects, irrespective of size, require approval by Treasury. Treasury publishes mandatory contractual guidance that applies to all PPP contracts in England that will receive direct funding support from central government (including where the procuring authority is not a central government department). PPP policy is a devolved matter in the rest of the UK and projects in Scotland, Wales and Northern Ireland should follow the guidance relevant in those jurisdictions.

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2.19 Using its expertise in project development, independent project financing, project assurance and project support, IPA provides HMT spending teams with practical help to support the scrutiny of major projects and programmes.

2.20 Chapter 3 outlines the role of the IPA in greater detail and explains the assurance framework for major central government projects.

**Working with other key stakeholders**

**Government Digital Service (GDS)**

2.21 GDS\(^5\) is part of the Cabinet Office and is the centre of excellence in digital, technology and data. GDS collaborates with departments to help them with their digital transformation projects. GDS work with departments to build platforms, standards, and digital services. For IT-related projects and programmes, such as departmental IT transformations, GDS will work with HMT spending teams to support the Treasury approvals process. Where a digital proposal requires a TAP panel meeting, a representative from GDS will usually be invited to be a part of the panel.

2.21.1 GDS also:

- manage the GOV.UK website
- build platforms such as GOV.UK Verify – a way to confirm users are who they say they are
- work to ensure government data is reliable and more usable for all
- help departments make better-informed decisions when they need to buy technology
- help departments provide their staff with better value for technology

2.21.2 For general enquiries, including who to contact for each respective departments or agency, email gds-comms@digital.cabinetoffice.gov.uk

**Crown Commercial Service (CCS)**

2.22 The CCS\(^6\) brings together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer.

2.23 The CCS aim to:

- make savings for customers in both central government and the wider public sector
- achieve maximum value from every commercial relationship
- improve the quality of service for common goods and services across government

2.24 The CCS is responsible for:

- managing the procurement of common goods and services, so public sector organisations with similar needs achieve value by buying as a single customer
- improving supplier and contract management across government

\(^5\) https://www.gov.uk/government/organisations/government-digital-service/about

\(^6\) https://www.gov.uk/government/organisations/crown-commercial-service
• increasing savings for the taxpayer by centralising buying requirements for common goods and services and bringing together smaller projects
• leading on procurement policy on behalf of the UK government

2.25 For general enquiries email info@crowncommercial.gov.uk.

Government Property Unit (GPU)

2.26 The GPU\(^7\) works with central government departments to realise savings across the government estate. It also now works with a range of local authorities to support them in managing the public sector estate in their locality.

2.27 For general enquiries email gpusecretariat@cabinetoffice.gov.uk.

Implementation Unit

2.28 The Implementation Unit\(^8\) provides support and challenge where the Prime Ministers key priorities are being pursued and supports the Prime Minister in understanding performance in these areas.

2.29 For general enquiries email implementation@cabinetoffice.gov.uk.

Key steps in the process

Early engagement

2.30 Departments should notify HM Treasury and the IPA as soon as a major project or programme is conceived as being likely. For initiatives in this stage, known as the ‘Early Development Pool’ (EDP), the IPA can offer a number of tools\(^9\) to assist a department with successful project initiation. Major projects and programmes should be reviewed through a Project Validation Review\(^10\) (PVR), formerly known as the ‘Starting Gate’, before proceeding to full preparation of their strategic stage. This must occur at an early stage of planning within the department and before any public commitment is made. All proposals should begin from the starting point of the public service they are intended to provide and not from the creation or acquisition of assets. They should be thought through using the framework provided by the Treasury’s 5-case model.

IPA assurance

2.31 An Integrated Assurance and Approval Plan (IAAP) must be developed. HMT will not normally approve projects if the appropriate assurance activities (as set out in the project’s IAAP) have not been followed.

2.31.1 Integrated assurance and approval is the planning, coordination and provision of assurance activities and HMT approval points throughout the lifecycle of a major project. Departments are required to submit a draft IAAP for each major project for validation by both the IPA and HMT. See more detail on IAAPs in Annex A.

\(^7\) https://www.gov.uk/government/groups/government-property-unit-gpu
\(^9\) The IPA has developed a Routemap tool and a ‘Critical Friend’ that can be used to help departments with project initiation.
2.31.2 IPA assurance is an independent assessment and confirmation that the project or programme is on track. It also provides assurance that the project or programme is applying the relevant standards to ensure it remains aligned to the strategic objectives.

2.31.3 Projects and programmes may be subject to one or more of the following assurance reviews:

- The Project Validation Review (PVR)
- Project Assessment Review (PAR)
- IPA Gateway Reviews

2.31.4 Please refer to the Business Cases guidance found on the Green Book\textsuperscript{11} web page and the IPA assurance webpages\textsuperscript{12} for further detail on assurance reviews.

**Submit a Business Case to HM Treasury**

2.32 Departments must put forward their spending initiative in the form of a Business Case. These should be prepared using the Treasury Business Case guidance and relevant staff should be trained and accredited. Access to accreditation and training is available via the Green Book web page. This is normally sent by the Senior Responsible Owner (SRO) to the relevant HMT director/deputy director. The Business Case should be accompanied by other significant documentation including the latest IAAP and the PVR report. Departments should ensure Business Cases have been signed-off internally by their SRO and AO and the relevant finance division before submitting to HMT.

2.32.1 The Green Book web page\textsuperscript{13} has a range of tools to help support, explain and provide practical assistance for both the creation and the assessment of Business Cases.

**Assessment of Business case**

2.33 Treasury spending teams and, where appropriate, various experts will then carry out an initial assessment on the material provided by the department to decide the level of scrutiny required.

2.34 The levels of scrutiny will depend on the proposal cost and risk as well as the department’s track record for managing project spending.

2.35 Spending teams will work with departments to agree a date for response which will normally be within 35 days from when the Business Case is received. HMT will communicate a decision to the department in writing. If required by Treasury, there will be a formal panel meeting (MPRG or TAP meeting) to carry out further scrutiny. Chart 2.A outlines the different levels of approval scrutiny.

\textsuperscript{11} The Green Book: appraisal and evaluation in central government - Publications - GOV.UK
\textsuperscript{12} https://www.gov.uk/government/publications/major-projects-authority-assurance-toolkit
Treasury levels of scrutiny

2.36 All qualifying projects will be approved through one of the following three levels of review, the highest of which is undertaken by HM Treasury and the IPA, working together jointly to cover Major Projects Review Group (MPRG). Not all decisions are binary, this is an iterative process where projects and programmes may be required to return to HMT for further scrutiny.

Chart 2.A: Spending team levels of scrutiny

- **Complexity, Cost, Risk**
  - **Major Projects Review Group**
    - Chairs - Director General Public Spending and Finance HMT & CEO Civil Service CO
    - Panel of experts from public and private sectors drawn from a pool to review major projects
  - **Treasury Approval Point Panel**
    - Chair - Director/Deputy Director HMT
    - Panel members from Treasury and CO (including IPA) to review major projects
  - **Desk Based Review**
    - Spending Team
    - All other approvals of programmes and projects

2.37 Desk Based Reviews are carried out by Treasury spending teams at official level. They apply to less expensive low risk projects that are not novel, contentious or repercussive. Initially, spending teams will circulate the Business Case to relevant teams in HMT and CO, including the IPA, to contribute to the review. Following this review, spending teams will send lines of enquiry to the department. If there are remaining issues or queries that Treasury spending teams would like to review they may organise a TAP panel meeting.

2.38 MPRG is a scrutiny panel for major central government projects and programmes, sponsored by HMT and coordinated by the IPA. It challenges projects on deliverability, affordability and value for money at key points in their life cycles. Further details of MPRG review including which projects and programmes are eligible can be found in Annex B.

2.39 TAP panel meetings are explained in the next section.
Chart 2.B: Summary of the project approval stages

Departmental Spending Request

Expenditure is above CO controls threshold, but below HMT threshold

- CO review
  - Relevant CO controls team evaluates request and coordinates to reach an internally consistent decision
  - CO provides department with initial opinion and sets out conditions of relevant consultation and high pay requests require joint CST and MCO sign-off

Expenditure is above HMT delegated authority

- Desk-based review
  - CO advice feeds into HMT review process

Large and potentially novel or contentious expenditure that is under £1bn

- TAP panel review
  - Panel chaired by HMT Director of Deputy director
  - Panel required at discretion of spending team, Case reviewed in accordance with Green Book guidance
  - Spending team may draw on advice from key stakeholders (PA, GFR, TOR, legal, etc.)
  - Depending on the case advice or is either submitted to the CST or the decision is taken by the team.

Convened at the Chair’s discretion, but usually where expenditure is greater than £1bn and particularly novel or contentious

- MPRG panel review
  - Panel chaired by John Manzoni (Chief Executive of Civil Service) and Julian Kelly (DG Public Spending)
  - Case reviewed at SBC, OGC and IBC, with further involvement throughout project if required
  - IPA and HMT jointly produce a panel briefing. Panel hear from SRO and key stakeholders.
  - The Chair notifies the department of outcome of the MPRG. Their findings may inform advice to the CST, whose decision is binding for all parties.

HMT-led Approval

CO-led Approval

Source: Better Business Cases guidance
2.40 Where appropriate, the Treasury will engage with Cabinet Office and act as a joint approval process for major projects and programmes. Guidance relating to Cabinet Office controls can be found on their website1.

2.41 If you have any questions regarding Cabinet Office controls contact the relevant team at cabinetofficecontrols@cabinetoffice.gov.uk.

2.42 Please note that the above only applies to major projects and programmes.

**TAP panel meeting**

**The aim of TAP meetings**

2.43 After assessing the project documentation at desk based level, spending teams may organise a panel meeting to carry out further scrutiny and assurance. Spending teams will inform departments if a TAP panel meeting is required and agree mutually convenient dates.

2.44 TAP panel meetings are scrutiny panels for major central government projects and programmes except for those that meet MPRG criteria (see Annex B for full MPRG requirements). They play an essential role in providing the necessary scrutiny of major projects which supports spending team policy recommendations and advice to Ministers. Therefore, these meetings are important to the TAP process as they provide evidence-based assessment which ultimately helps shape key decision making.

2.45 TAP meetings focus on the areas of value for money, affordability and deliverability. They provide an opportunity for spending teams and other stakeholders to probe key issues and concerns with Business Cases in a formalised manner, with agreed lines of enquiry prepared in advance of the meeting in the form of panel briefing. See Annex C for a panel briefing template which outlines how this should be structured.

**Criteria**

2.46 TAP meetings should be organised for projects and programmes with one or more of the following characteristics, unless considered to meet MPRG requirements:

- under £1 billion of whole life cost and over DAL
- raises significant issues around novel, contentious and repercussive spend (but less significant than those requiring a MPRG)
- potentially risky in fiscal, operational or reputational terms
- potential to set a precedent and creating additional costs to the Exchequer in the future
- significant interdependencies with other important programmes or savings targets

2.47 It is important to mention that, in the same way as MPRG, TAP panels are convened at the chair’s discretion and after consultation with relevant internal stakeholders.

2.48 Additional TAP approvals (outside of the basic TAP framework) may be required where decisions involving the use of public resources make it necessary. TAP process gives HMT spending teams the flexibility to be able to arrange panel meetings with additional approval points due to the nature of spending in some cases. For example, for spending initiatives linked to Public Private Partnerships (PPPs) or those developed as a result of public consultations.

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Early engagement between HMT, IPA and the relevant government departments is encouraged to avoid setting up panel meetings at short notice.

Timing

In most cases, but not necessarily all, TAP panel meetings are held where there is a formal decision to be made at an approval point in line with the Business Case stages outlined earlier in chapter 2.

- Strategic Outline Case stage
- Outline Business Case stage
- Full Business Case stage

Spending teams may deploy TAP meetings at any stage in the lifecycle of a project or programme. The timing of these meetings are intended to be flexible and can be organised at relatively short notice.

Panel

TAP panel meetings are chaired by the relevant Treasury director or deputy director of the spending team leading on the spending proposal. Representatives from the following teams are invited to each TAP:

- HMT spending team
- IPA Ops Lead
- General Expenditure Policy Team
- Cabinet Office specialist team, where relevant (eg. GDS, GPU etc),

The project SRO should attend the meeting alongside a maximum of 5 attendees from the project team and departmental representatives.

Outcome

The outcome of TAP panel meeting will be an outcome letter from the Treasury spending team, on behalf of the TAP panel Chair, to the project/programme lead in the relevant department, notifying them of the Treasury’s decision. Where appropriate, spending teams may seek advice from Treasury Ministers before communicating the Treasury’s decision. Spending teams may notify ministers or request a steer where specific ministerial approval is not required.

If you have any queries regarding the TAP process, please contact your HMT spending team.
3.1 The purpose of the Infrastructure and Projects Authority (IPA) is the timely and cost-effective delivery of infrastructure and major government projects and programmes. As experts in project development, project financing, independent project assurance and project support, IPA provide HMT and other partners with practical help and assurance to support the scrutiny of major projects and programmes.

3.2 This chapter outlines the IPA assurance framework for major projects in central government.

3.3 The government Integrated Assurance Framework provides the structure for risk-based, proportionate and fit for purpose assurance provision for major projects. Two key components are the Integrated Assurance Strategy (IAS) and the Integrated Assurance and Approvals Plan (IAAP).

3.4 The IAS sets the strategic requirements for assurance provision to ensure agreed and consistent standards across an organisation’s portfolio of major projects.

3.5 It is mandatory for all major projects to have an Integrated Assurance and Approval Plan (IAAP). Integrated assurance and approval is the planning, coordination and provision of assurance activities and HMT and departmental approval points throughout the lifecycle of a major project. Departments are required to submit a draft IAAP for each major project for validation by both the IPA and HMT. Please see more detail on IAAPs attached at Annex A.

3.6 The IPA has updated its assurance toolkit (see tables below). It is now split into two categories:

- planned assurance, which will be included in the major project’s IAAP
- consequential assurance, which will only be applied to major projects in difficulty, as identified by the IPA, HMT or the department

3.6.1 The latest information around IPA assurance can be found here: https://www.gov.uk/government/publications/major-projects-authority-assurance-toolkit

Table 3.A: Planned assurance tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description</th>
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<tbody>
<tr>
<td>Risk Potential Assessment</td>
<td>Identifies level and nature of project risk and therefore degree of assurance required</td>
</tr>
<tr>
<td>Project Validation</td>
<td>An early stage workshop-based review to assess how well a major new project is set up to deliver to time and cost, and realising benefits.</td>
</tr>
<tr>
<td>OGC Gateway Review</td>
<td>Series of assurance ‘gates’ before key project milestones</td>
</tr>
<tr>
<td>Project Assessment Review (PAR)</td>
<td>Flexible assurance review that is tailored to stage of project</td>
</tr>
</tbody>
</table>

Source: IPA
### Table 3.B: Consequential assurance tools

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assurance of Action Plans</td>
<td>Provides assessment of whether the project’s action plans are sufficient to resolve issues identified through planned assurance</td>
</tr>
<tr>
<td>Case Conference</td>
<td>Integrated planning for recovery of projects at risk or in difficulty</td>
</tr>
<tr>
<td>Project Assessment Review (PAR)</td>
<td>Tailored to “deep dive” into known issue areas and/or to support recovery plans</td>
</tr>
<tr>
<td>Applied Support</td>
<td>Provision of capability from the centre in support of recovery</td>
</tr>
<tr>
<td>Managed Early Closure</td>
<td>Supports controlled and timely termination of projects</td>
</tr>
<tr>
<td>Escalation</td>
<td>Timely engagement with higher levels of management and/or Ministers to resolve otherwise intractable problems</td>
</tr>
</tbody>
</table>

**Source:** IPA

**3.7** All assurance activities will be tailored to individual major projects and resource will be drawn from the public and private sector including the IPA and specialists elsewhere such as the Crown Commercial Service (CCS) and the Government Digital Service (GDS).

**3.8** It is mandatory for every new policy or business change initiative, which could result in a major project, to go through a Project Validation Review (PVR). This must occur at an early stage of planning within the department, and before any public commitment is made.

**3.9** The IPA will routinely engage with departments, pre Strategic Outline Case, on major new initiatives that are likely to be delivered through major projects. The initiatives in this Early Development Pool will be supported by a number of IPA tools to progress their delivery plans and inform IPA assessment candidates for GMPP.

**3.10** A PVR will be required ahead of a final decision on whether a project should join the GMPP. The plan will be agreed by the IPA and the relevant HMT spending team, in discussion with the department. Once on the GMPP, it is mandatory for all projects to report core performance data to the IPA on a quarterly basis.

**3.11** The IPA may carry out additional reviews and/or consequential assurance for major projects that it and/or HMT believe to be a concern, at any time.

**3.12** Departments may request support from the IPA at any time for major projects that are in difficulty. Allocation of IPA resources to assist major projects in difficulty will be prioritised based on level of need.

**3.13** IPA assurance review reports, including Gateway reports, will normally be shared with relevant partners in HMT and Cabinet Office, to inform HMT approvals and/or to inform consideration of actions or further assurance requirements.

**Further Information**

**3.14** More detail on all the components of the government Integrated Assurance Framework described above can be found in the following IPA documents (all version numbers are correct.
at the time of writing but all IPA guidance will be updated periodically to incorporate lessons learnt and emerging good practice):

- guidance on Integrated Assurance Strategy and IAAP (v1.0)
- guidance on Planned Assurance and Approvals (v2.4)
- guidance on Consequential Assurance and Intervention (v1.3)

3.15 These documents and any future versions or additional IPA guidance will be emailed to departmental PPM Heads of Profession and to “PPM Leaders” with responsibility for their organization’s PPM Centres of Excellence, Portfolio Office or equivalent. Copies can be requested from them, or via gateway.helpdesk@ipa.gov.uk.
A.1 “Integrated assurance and approval” is the planning, coordination and provision of assurance activities and approval points throughout the “policy to delivery” lifecycle, proportionate to levels of project cost and risk. The overall process major projects must follow is outlined in the integrated assurance and approvals flow diagram on page 24.

A.2 Integrated assurance and approval plans (IAAPs) are mandatory for all major projects. An example IAAP can be found on page 25. IAAPs are mandatory for all new major projects and for all existing major projects (initially on a prioritised basis in discussion with the IPA and HMT).

A.2.1 This requirement has a number of benefits:

- planning all assurance requirements in advance means that major projects can ensure that they have a more timely and coordinated assurance regime (this will result in less but more effective assurance)
- Integrating assurance and approvals processes, and scheduling assurance before HMT approval points, will enable spending teams to make decisions that are better informed by assurance assessments, including overall delivery confidence
- pre-planning of assurance requirements by all major projects will enable the IPA to better forward plan resources to meet demand from departments

A.3 It is mandatory for all major projects to submit a draft IAAP to HMT and the IPA, following the process below:

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Project Validation Review (for emerging initiatives and potential major projects)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 2</td>
<td>Submit IAAP to IPA Project Lead (Operations), who will liaise with HMT spending team</td>
</tr>
<tr>
<td>Step 3</td>
<td>IPA validates assurance plan (assurance timetable/assurance tools proposed by department). HMT validates approval timetable and decides level of scrutiny required.</td>
</tr>
<tr>
<td>Step 4</td>
<td>HMT and IPA respond jointly to department, agreeing IAAP or requiring changes</td>
</tr>
</tbody>
</table>

Source: IPA

A.4 The IPA and HMT spending teams will work together in reviewing draft IAAPs, ensuring thorough discussion with project teams that validated IAAPs appropriately cover both assurance and approvals requirements, and are proportionate to the nature and stage of each project.

A.5 The IAAP should include a timeline clearly demonstrating the following milestones:

- assurance review points (including both independent assurance from the IPA and internal departmental assurance and audit reviews)
- internal departmental approval points
- 3 distinct HMT approval points (SOC; OBC; FBC) and any further milestones required by HMT spending team

A.6 IAAPs are living documents which will change/develop according to the project’s lifecycle – amended IAAPs must also be submitted for re-validation by the IPA and HMT spending team.

A.7 Compliance with the agreed IAAP will normally be a condition of HMT approval.
Chart A.1: Integrated assurance and approvals – lifespan of a major project

This is a flexible framework – assurance and approval processes for individual projects and programmes will be decided on a case by case basis.

*Source: Cabinet Office*
Table A.1: Generic example template for an Integrated Assurance and Approvals Plan (IAAP) – shows the range of assurance and approvals activity to consider when building an IAAP.

<table>
<thead>
<tr>
<th>Assurance/Approval</th>
<th>Primary client</th>
<th>Date Last review</th>
<th>Current FY (show expected start date)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>A</td>
</tr>
<tr>
<td>Programme/Project*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approvals</td>
<td>Investment Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMT approval points</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(SOC/OBC/FBC/other)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other approvals e.g. ICT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Assurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PVR</td>
<td>Senior Policy Lead</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAR</td>
<td>IPA/SRO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OGC Gateway</td>
<td>IPA/SRO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GMPP Reporting</td>
<td>IPA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Assurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>PM/Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>PM/Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>PM/Board/ISO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>PM/Board/DSO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial (Compliance audit)</td>
<td>PM/Board Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal</td>
<td>Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External</td>
<td>NAO/PAC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* delete as applicable
Major Project Review
Group guidance

MPRG background

The Major Projects Review Group (MPRG), established in January 2007, aims to improve the performance of major projects and to advise HMT Ministers whether projects should proceed.

The aim of MPRG process

B.2 The MPRG process is owned by the Treasury. The MPRG provides a pool of expertise, from which panels are put together to scrutinise the largest and most complex major government projects. MPRG panels challenge projects on business content including realism, risk and deliverability, affordability and value for money, at key points in the HMT approvals process (SOC; OBC; FBC) and as required at other key decision points during their lifecycle.

- deliverability – the extent to which a project is deemed likely to deliver the expected benefits within the declared cost/time/performance envelope
- affordability – the extent to which the level of expenditure and financial risk involved in a project can be taken on, given a parent department’s overall financial position, both singly and in light of its other funding priorities
- value for money – the optimum combination of net whole-life public value, risk and public sector cost including quality (and fitness for purpose) to meet the business needs of the proposing body

Criteria for selecting projects for MPRG

B.3 HMT approval is required for projects outside departments’ delegated authority. MPRG looks at a subset of these programmes, generally those which are highest risk and of concern to HMT spending teams.

B.4 Projects are selected for MPRG review according to the following criteria:

- projects with a whole life cost over £1 billion
- projects that are high risk and complex in their procurement and delivery of benefits
- projects that set a precedent, or are highly innovative
- other projects ‘of concern’ (as agreed by Chairs of MPRG; may be recommended by HMT, IPA)

B.5 Departments’ major projects are regularly reviewed to establish whether any meet the above criteria, and approval is sought from the MPRG co-chairs to add identified projects to the MPRG schedule.
Timing of MPRG reviews

B.6 MPRG timing is flexible, and the MPRG may meet at any time should a project become ‘of concern’. However projects will generally be reviewed at the following key stages:

- Strategic Outline Case stage
- Outline Business Case Stage – before the project goes to tender
- Full Business Case Stage – following receipt of bids but before award of the contract, or in the case of competitive dialogue, before close of dialogue.

B.7 Once a project has been reviewed at any stage by MPRG, the panel will decide if and when the project should return to MPRG.

B.8 MPRG may also consider departmental portfolios of projects and/or departmental programmes.

The MPRG panel

B.9 MPRG is jointly chaired by the Chief Executive of the Civil Service (and Cabinet Office Permanent Secretary) and the HMT Director General for Public Spending and Finance. The Chief Executive of the IPA within the Cabinet Office also sits on the panels for continuity and to support the chairs.

B.10 The MPRG scrutiny panel for each review consists of the two chairs and usually two individuals selected from a pool of senior public and private sector experts. For the avoidance of doubt, the MPRG panel members are not the “PAR review team”. MPRG panel meetings are informed by the outcomes of the PAR, carried out prior to the MPRG panel meeting by a separate team of independent reviewers accredited by IPA.

The role of the IPA in MPRG

B.11 The MPRG Secretariat, within IPA, is responsible for overseeing and co-ordinating the technical, operational and assessment aspects of the MPRG process, and engages with both HMT spending teams and IPA operations teams to ensure successful delivery of MPRG panel meetings.

Overview of the process for an MPRG review

Purpose and principles of the assessment

B.12 A project assessment review (PAR), commissioned by the relevant IPA ops manager, is carried out typically two weeks prior to each MPRG panel. The aim is to provide evidence, building on existing assurance where appropriate, to inform the MPRG panel on the key issues for discussion at the panel meetings.

Review phase

B.13 The PAR team will study project documentation, including contract documents at close of dialogue/FBC stage; and will interview key stakeholders. Where available, the team will take into account assurance that has been undertaken by others – e.g. the department’s own assurance, audit and investment decision making processes.

B.14 The PAR team will focus on the investigation and discovery of evidence capture for MPRG. The team will highlight areas as “noteworthy and positive” or “noteworthy and cause for concern” in its report. Further investigation will be made to determine the root causes for the areas of concern and key issues will be identified.
**Outputs of the review**

**B.15** Outputs of the review phase will typically comprise two papers both produced to a standard template:

- project assessment review (PAR) report: Overview of evidence and issues identified: Produced by the PAR team on completion of the review
- MPRG panel briefing: a brief overview of the project, any previous assurance of the project, the purpose of the MPRG meeting, key issues for discussion, the desired outcomes and key lines of enquiry

**MPRG panel meetings**

**B.16** The MPRG panel meeting is the conclusion of the review. The project team (SRO + programme director as a minimum) attends. The aim is a peer-to-peer review, where the panel engages with the project along the pre-agreed lines of enquiry.

**B.17** The chair of MPRG makes a decision or makes recommendations to HMT ministers on the basis of the evidence submitted by IPA and the department, to either:

- approve that project proceeds on the proposed plan
- approve that the project proceeds with conditions
- halt the project’s progress

**B.18** The formal outcome of the panel is a letter from the panel chair, to the department’s permanent secretary.
Preparing panel briefing template

A brief overview of the project

C.1 This introductory paragraph summarises the project being reviewed and its current status. The purpose of this section is to set the context of any decisions being made by the programme against the overall stage.

Purpose of the TAP/MPRG

C.2 This section should clearly state the reason for holding a TAP/MPRG. In most cases these panel meetings are held where there is a formal decision to be made at an approval point. Other reasons for holding a TAP meeting include the project requiring confirmation that conditions set by previous panels have been met or if there are key issues with the project that HMT would like to scrutinise.

Key issues

C.3 A list of the key issues the project is facing or area of concern that HMT have about the project, with a clear definition of each.

Evidence and findings

C.4 Each issue should be supported by documented evidence which supports the key issues outlined. Evidence may be drawn from:

- project assessment review (PAR) report
- review team lead (RTL) briefing
- briefings prepared by HMT
- information from the programme team

C.5 Evidence should be set out in plain English explaining the link to the issue or area of concern set out above.

Desired outcome

C.6 This should outline what outcome the panel is seeking to achieve in order to give HMT confidence that the issue above is being understood and addressed.

Suggested lines of enquiry

C.7 Lines of enquiry should ensure that the panel is able to appropriately probe the project leadership so that there is a good understanding of the issues being faced by the project. There should be a clear logical link between the lines of enquiry, the issues/areas of concern and the outcome the panel is seeking to achieve.
HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gsi.gov.uk