HM Treasury

Treasury Approvals Process
For projects and programmes

April 2024

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OGL

Contents

Summary of changes

This guidance was last updated in March 2022. The key changes from the 2022 version are summarised below.

Update	Summary of change
Increased emphasis on the importance of the early scrutiny of spending proposals	Makes it clear that departments must obtain HM Treasury approval of Strategic Outline Cases for the most significant government projects.
New flexibilities for the Treasury to delegate approvals to departments in specific circumstances	Introduces new flexibilities for HM Treasury to delegate to departments, in specific circumstances and subject to appropriate safeguards, the approval of: • Full business cases • Project business cases that sit within programmes
New guidance on project or programme 'resets'	Introduces a new section setting out how project and programme 'resets' interact with the Treasury Approvals Process.
Updated guidance on 'Response to Red'	Updates the existing section on how the joint IPA – HM Treasury 'Response to Red' process interacts with the Treasury Approvals Process.
New guidance on interim spending arrangements	Introduces a new section to set out when interim spending approval may be needed in the context of project or programme 'resets' and the 'Response to Red' process and what this should consider.
Increased emphasis on the importance of monitoring and evaluation	Introduces new references to the Magenta Book and the importance of having robust evaluations when developing spending proposals.
Greater focus on managing fraud risks	Introduces new references to managing fraud risk, counter-fraud and completing the Initial Fraud Impact Assessment.
New guidance on cross-government working	Adds greater detail on the role of departments in working together when projects and programmes cut across the responsibilities of multiple departments.

Chapter 1
Introduction

1.1   This guidance on the Treasury Approvals Process sets out the arrangements for HM Treasury scrutiny and approval of qualifying projects and programmes.

1.2   HM Treasury (henceforth referred to as 'the Treasury') sets Delegated Authority Limits (DALs) for each department. It scrutinises and approves any project and programme spending that exceeds one or more of the relevant delegated limits.[1] It also scrutinises expenditure that is novel, contentious or repercussive, or where there are specific requirements for Treasury approval as set out in legislation or Managing Public Money (MPM). This is to ensure all spending proposals reflect the priorities of the government of the day, demonstrate value for money and comply with all relevant standards, guidance and Parliamentary expectations regarding the use of public money.

1.3   To ensure proposals demonstrate value for money, departments must develop and present these in accordance with central guidance. This includes the Green Book and supplementary business case guidance, the Magenta Book guidance on evaluation and the government's Functional Standards.[2] Any spending that requires Treasury approval, and which is undertaken without Treasury consent, is irregular. This is set out in Annex 2.2 of MPM.

1.4   The Treasury Approvals Process guidance helps to ensure that good practice is applied consistently across government. Treasury spending control requires all government departments to keep in regular contact with their Treasury spending team and relevant central assurance teams. This ensures that any risks to budgetary totals are reported in a timely manner. Each department's Accounting Officer (AO) is ultimately responsible to Parliament for ensuring regularity of spend. This includes keeping spending within control totals and in line with the principles of MPM.

1.5   The Treasury Approvals Process is underpinned by 4 key principles:

- **right first time:** projects are set up for success from the outset. Departments should agree expectations with the Treasury on business cases to save time throughout the approvals process. This

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[1] As set out in a department's Delegated Authority Limits letter. Spending should be measured on a whole life cost basis except where this is not sensible - for example, for ongoing annual commitments.

[2] A suite of management standards and associated documentation to guide people working in and with the UK government- see GOV.UK.

principle does not mean that the government does not revisit initiatives when necessary. This may occur for example when proposals fail to deliver their strategic objectives, or when new risks materialise in the proposal.

- **consistency:** the approvals system is predictable and easy to navigate. A clear, consistent approach to the approvals process across all organisations prevents delays and promotes best practice.

- **expertise:** departments engage Functional Standards continuously from the outset of a project and incorporate sufficient time into a project's timelines for receiving and incorporating expert review.

- **value for money:** the Green Book and accompanying business case guidance are used to develop and review all spending proposals. Project teams must follow the business case guidance, the Magenta Book guidance on evaluation and relevant Functional Standards.

1.6   The Treasury Approvals Process applies to all government departments and arm's length bodies when spending meets one or more of the characteristics set out in Box 1.A.

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Box 1.A Characteristics of a proposal subject to the Treasury Approvals Process

- Whole life costs above one or more of the relevant Delegated Authority Limits (DALs)

- Could create pressures leading to a breach in agreed budget and Estimate limits

- Would entail contractual commitments to significant levels of spending in future years for which plans have not been set[3]

- Could set a potentially expensive precedent

- Is novel, contentious, or could cause significant repercussions, posing risks to the public sector

- Requires primary legislation, or where Treasury consent is a statutory requirement.

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1.7   Business cases form the basis for all spending approvals, including at budgets and spending reviews. They must be prepared using the Green Book and business case guidance. Those involved in

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[3] Departments should consult their relevant Treasury spending team to agree what constitutes a 'significant' level of spending.

developing business cases should be trained and accredited. Access to accreditation and training is available via the Green Book web page.

Scope of this guidance

1.8   Explicit Treasury approval is required if a spending proposal meets **any** of the conditions set out in Box 1.A. The proposal will accordingly be subject to the Treasury Approvals Process and consequently, this guidance.

1.9   Treasury is responsible for the final decision on whether a proposal qualifies for the Treasury Approvals Process. If departments are uncertain whether approval is needed, they should consult their delegation letter in the first instance and, if still uncertain, consult their Treasury spending team.

1.10   This guidance covers both projects and programmes that meet the criteria set out in Box 1.A. The terms 'projects' and 'programmes' are used interchangeably in this guidance, unless specifically stated. Table 2.A sets out definitions for a project and a programme.

1.11   Projects or programmes that are subject to the Treasury Approvals Process may become part of the Government Major Projects Portfolio (GMPP). The GMPP tends to include particularly complex projects and programmes with a multi-year life span.[4] The Treasury works work with the IPA to decide if a project or programme is appropriate for inclusion in the GMPP. Discussions on joining the GMPP should start when a programme is large enough that some or all its constituent projects are above DALs or otherwise meet one of the characteristics outlined in Box 1.A.[5]

1.12   Business cases that qualify for the Treasury Approvals Process require Treasury approval at each approval point or stage gate. If the project or programme is part of the GMPP, the Integrated Assurance and Approval Plan (IAAP) should set out these approval points.[6] In particular, departments should obtain Treasury approval of Programme Business Cases and Strategic Outline Cases to ensure alignment with strategic objectives before making any public announcements. Where a lead option requires legislation, departments must have Treasury approval of a Programme Business Case (PBC) or an Outline Business Case (OBC) before instruction of Parliamentary Counsel.

1.13   The rest of the guidance sets out the purpose and scope of the assurance and approvals process for projects and programmes. Figure 1.A provides an overview of the process, which generally consists of 3

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[4] For expectations for the management of projects and programmes in government, see the Government Functional Standards for Project Delivery.

[5] The Treasury Approvals Process also applies in cases where a programme or project's whole life costs are initially below the department's DAL (e.g. one which has been in train for several years) but then rise above the DAL. At the point at which this is deemed likely, departments should notify their Treasury spending team.

[6] A 'gate' or 'gateway' refers to a decision point carried out as part of formal governance, at significant points in the life cycle to ensure that the decision to invest as stated in an agreed business case remains valid.

overarching stages: **initiation**; **scrutiny**; and **approval**. It is worth noting that some proposals that do not require Treasury approval may require other central approvals, particularly Cabinet Office spend controls. Further information on Cabinet Office controls is available on GOV.UK.

Figure 1.A Overview of the Treasury Approvals Process

Initiation

Department or ALB produces a business case in line with the Green Book and supplementary business case guidance. This includes timely engagement with the Treasury to agree expectations and approval plans.

Department or ALB subjects business case to departmental assurance and approval. This includes completion of an Accounting Officer Assessment and relevant engagement with ministers.

Scrutiny

Department or ALB submits a business case to the Treasury and Cabinet Office for review. The Treasury scrutinises this via one of three levels of review, depending on cost, risk, and the department's track record for programme/project spending.

Increased cost / risk of proposal

1. **Desk-based review**
2. **Treasury Approvals Process panel**
3. **Major Project Review Group panel**

If part of the **Government Major Projects Portfolio (GMPP)**, the IPA may provide additional assurance and support.

Approval

Spending team submits advice to the Chief Secretary to the Treasury for decision. If Cabinet Office spending controls apply, the Minister for the Cabinet Office also needs to provide sign-off.

Source: HM Treasury

Chapter 2
Initiation of proposals

2.1   This chapter sets out the process for initiating a spending proposal. It covers the main steps including the development of business cases and use of early-stage workshops, early engagement with key bodies, and completion of Integrated Assurance and Approval plans.

Business cases and early-stage workshops

2.2   Departments must develop their spending proposals for qualifying projects and programmes into business cases, using the process set out in the Green Book and supplementary business case guidance.

2.3   Business cases facilitate better spending and investment decisions by supporting the development of robust proposals. They help set projects and programmes up for successful delivery by helping to identify and manage the key risks, issues and dependencies, and reduce the risks of project or programme failure. They are living documents, used to scope and implement proposals appropriately. They should be clear, concise and avoid unnecessary repetition.

2.4   The main types of business cases are project business cases and the Programme Business Case. Departments should use the Treasury's business case guidance to assess whether their proposal should be classified as a project or programme. They should also carry out preliminary research and feasibility studies to inform the creation of the appropriate business case. The Green Book web page has a range of practical tools to support the development process.

2.5   Many projects are part of an overarching programme. Such projects have their own individual business cases. The different types of business cases are defined in Table 2.A. The classic model for project development, scrutiny and approval consists of 3 stages, which are:

- Strategic Outline Case (SOC)

- Outline Business Case (OBC)

- Full Business Case (FBC)

2.6   The appropriate number of stages may vary, depending on the circumstances of the proposal in question. Departments should agree this with the Treasury through an IAAP. The Green Book and its supplementary guidance also provide guidance on this.

2.7   The Green Book includes a requirement to hold a minimum number of stakeholder workshops at various stages in the development

of a business case.[7] The IPA's <u>Project Set Up Toolkit</u> also provides support for projects in the early phases of development.

2.8   Annex A provides a checklist of key actions to undertake prior to submitting Green Book compliant business cases to the Treasury for approval.

Table 2.A Types of business cases

Initiative	Description of initiative	Type of business case	Purpose of business case
Programme	A temporary organisation created to manage a set of projects and other related work in order to deliver outcomes and benefits that support one or more objectives. *Example: the Transpennine Route Upgrade.*	**Programme Business Case (PBC)**	Sets out the medium-term objectives for change to be delivered via a collection of projects. This usually has an initial strategic case and is updated regularly thereafter as the programme develops.
Project	A temporary organisation undertaken in stages to deliver one or more outputs, outcomes and benefits that support a defined objective. *Example: the Transpennine Route Upgrade Project E234; upgrading and electrifying the route from Leeds to Church Fenton.*	**Strategic Outline Case (SOC)**	The first stage in the development of a project business case. It makes the case for change, identifies SMART objectives[8] and sets out an initial longlist and shortlist of options to identify a 'preferred way forward'.
Project	A temporary organisation undertaken in stages to deliver one or more outputs, outcomes and benefits that support a defined objective. *Example: the Transpennine Route*	**Outline Business Case (OBC)**	The second stage in the development of a project business case. It revisits the options in the SOC to identify the 'preferred option' following more detailed analysis. It

7 See Chapter 4 of the Green Book for further information about workshops.

8 A SMART objective is one that is Specific, Measurable, Achievable, Realistic and Time-limited.

	Upgrade Project E234; upgrading and electrifying the route from Leeds to Church Fenton.		also outlines commercial, financial and management arrangements for the project.
Project	A temporary organisation undertaken in stages to deliver one or more outputs, outcomes and benefits that support a defined objective. *Example: the Transpennine Route Upgrade Project E234; upgrading and electrifying the route from Leeds to Church Fenton.*	**Full Business Case (FBC)**	The third stage in the development of a project business case. It sets out the full details of the commercial, financial and management arrangements required to deliver the project successfully.

Source: HM Treasury

Early engagement

2.9   Departments should notify the Treasury, IPA, and Cabinet Office as soon as a spending proposal requiring approval is in development.[9] An 'open-book' project management approach facilitates better decision making and approvals throughout the process. Taking an 'open-book' project management approach means having timely departmental engagement with the Treasury, IPA and Cabinet Office from the outset, consistent with the agreed approval plans for the project or programme.

2.10   Departments should engage ministers and involve them in conversations about project delivery from the outset. For example, they could be involved in early workshops. Relevant ministers and Accounting Officers must sign off Strategic Outline Cases and Programme Business Cases for projects and programmes on the GMPP.

2.11   All projects and programmes should have robust evaluation plans in place. Business cases are unlikely to receive approval without a robust and proportionate evaluation plan, properly aligned with the delivery context of the specific project or programme. Please refer to the Magenta Book for detailed guidance on evaluation and engage the

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[9] The Treasury will not be persuaded by arguments of sunk cost later in the project lifecycle, and as such it is key that experts and the Treasury are engaged in a timely manner to ensure that proposals are meeting strategic objectives, offer value for money and are likely to be affordable.

Evaluation Task Force for further guidance on developing robust evaluation plans.[10]

2.12   Departments should also engage functional experts as needed when developing business cases – for example, the Central Digital and Data Office (CDDO) on digital transformation proposals, or the Grants and Commercial functions on complex procurements. The Treasury reserves the right to refuse proposals that have not had appropriate prior assurance by functional experts. The government's Functional Standards clarify what needs to be done and why for different types of functional work. The standards set stable expectations and clarify accountabilities.

Integrated assurance and approval

2.13   All projects joining the GMPP must have an Integrated Assurance and Approval Plan (IAAP) that is validated by the Treasury, IPA, and Cabinet Office. This is also good practice for other proposals that are not on the GMPP. An IAAP sets out the scope of assurance and approval activities to undertake over the lifecycle of a project. It is designed to ensure that appropriate assurance activities are effectively planned, scheduled, coordinated and that resources are secured in advance. Completing the IAAP supports timely and efficient planning and can avoid duplicating activities. Box 2.A provides a case study on how IAAPs can streamline processes and set up projects for success.

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[10]   The Evaluation Task Force can be contacted at evaluation.registry@cabinetoffice.gov.uk

Box 2.A Sequencing approvals in the Schools Rebuilding Programme

The approvals process for the Schools Rebuilding Programme required input from the IPA on assurance, Cabinet Office on commercial controls for individual projects and the Treasury for approval of the Programme Business Case.

Through the IAAP process, the Department for Education (DfE) worked with the IPA, Cabinet Office and the Treasury to agree the relevant approval points that the programme would undergo over its lifecycle. This process was also used to identify opportunities for streamlining the approvals process, including:

- **joint scrutiny from the Treasury, Cabinet Office and IPA:** sharing, discussing, and agreeing lines of enquiry between the Treasury and IPA, and sharing with the DfE ahead of TAP sessions. This joint approach also covered early engagement with the DfE and supported advice to the Chief Secretary to the Treasury on approval and accompanying conditions.

- **Treasury Approvals Process (TAP) panel:** the TAP panel was structured with 3 working-level 'deep dive' sessions on priority areas, ahead of the formal TAP meeting itself. This facilitated a deeper understanding of the issues, ensured that the right experts were involved, and minimised briefing requests to the department ahead of the formal TAP.

- **Cabinet Office spend control process:** Cabinet Office's participation in the TAP meant that they had background insight to inform assurance at the project level. Furthermore, early engagement between the DfE and Cabinet Office enabled Cabinet Office to adopt a light-touch pipeline assurance review process, saving time.

2.14   This requirement facilitates better decision-making because:

- planning all assurance requirements in advance means that projects have a timelier and more coordinated assurance regime between the relevant departments (usually the Treasury, IPA, and Cabinet Office)

- integrating and scheduling assurance before the Treasury approval points enables spending teams to make decisions that are better informed by assurance assessments, including how they relate to overall delivery confidence

- pre-planning of assurance requirements for all projects enables the Treasury, IPA, and Cabinet Office to better plan resources to meet demand from departments, resulting in timelier approvals.

2.15   The relevant department must complete a Risk Potential Assessment (RPA) for all GMPP projects, which they must share and agree with the Treasury, IPA, and Cabinet Office. This helps to identify the level and nature of project risk, and therefore the degree of assurance required.

2.16   If a project is approved for entry onto the GMPP it enters the GMPP quarterly reporting cycle and develops a work programme in line with the type of business case required. The department should continue to subject the project to their internal departmental assurance and approval activities.

Chapter 3
Scrutiny of proposals

3.1   This chapter provides an overview of the assurance and approval process for qualifying projects and programmes. The objective is to provide a clear picture of the steps involved and who departments need to engage throughout the process.

Scrutiny of business cases

3.2   The development lifecycle of projects and programmes varies, so the scrutiny and approval processes differ to reflect that.

3.3   Programmes must have a PBC that is reviewed at least annually and updated as required. Departments should agree with their Treasury spending team the frequency with which they submit the PBC to the Treasury for scrutiny and approval. The Treasury should confirm this in writing and, if part of the GMPP, this should be set out in the programme's IAAP.

3.4   Departments should obtain Treasury approval of project business cases at each of the 3 key stages set out in paragraph 2.5 (SOC, OBC, and FBC). However, experience shows that projects require constant monitoring during delivery – including after FBC approval. The Treasury therefore often agrees a set of milestones in addition to these 3 key stages where departments must seek approval. The Treasury reserves the right to add further approval milestones where necessary. Annex B provides a summary of the activities related to the scrutiny and approval of qualifying projects and programmes.

Departmental assurance

3.5   Assurance and approval of a business case by the IPA, Cabinet Office and the Treasury is not a substitute for assurance by the relevant department or arm's length body, which the organisation must undertake before submitting a business case to the Treasury. Generally, departments or arm's length bodies should subject spending proposals to the highest level of departmental scrutiny and approval before sending these to the Treasury for approval. The purpose of departmental assurance is to provide an internal assessment of the quality of the proposal within the context of the department's own priorities.[11]

3.6   Departments are encouraged to regularly review and consolidate their internal investment approval stages to improve the quality and

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[11] Departments should consider inviting the Treasury, CO, and IPA as observers where appropriate.

speed of decision making within their organisations and optimise value for money.

Merging business case stages and delegating approvals

3.7   Some simpler projects that are part of an established programme may have a very lean and limited strategic case, which is handed down from the programme. In such cases, it may be efficient and justifiable to merge the project SOC and OBC. This is not appropriate for more significant or standalone projects, where it is especially important to get things right at the initiation of the project, and which must have a standalone SOC.

3.8   Where projects form part of a programme, the Treasury may consider delegating approval of some or all of the underlying project business cases to the department. The Treasury only considers this for projects:

- that fall within a programme that has already received Treasury approval and is not currently rated 'Red' by the IPA

- that are not novel, contentious, or repercussive

- where Treasury approval to spend is not a statutory requirement

3.9   The Treasury may also consider delegating approval for specific Full Business Cases to the department. The Treasury only considers this for projects:

- that have already received Treasury approval at OBC stage and are not currently rated 'Red' by the IPA

- that have not experienced any material changes in scope, schedule, costs, or benefits since OBC stage

- that are not novel, contentious, or repercussive

- where Treasury approval to spend is not a statutory requirement

3.10   Departments must seek Treasury approval for any requests to delegate approval of specified business cases in good time to allow reasonable consideration before decisions are made. It may be appropriate for departments to discuss the delegation of project approvals when securing Treasury approval of the PBC or the IAAP as well as the delegation of FBC approval when securing Treasury approval of the OBC.

3.11   The Treasury spending teams must obtain ministerial approval for any such request and the Treasury must confirm any delegation to the department in writing. The department must not infer such delegation in the absence of a reply. The Treasury should reflect any changes to delegations in an amended delegation letter.

3.12   Departments or arm's length bodies must still undertake assurance of all business cases where approval has been delegated by

the Treasury. The Treasury also reserves the right to withdraw any delegation to a department at any time and require the department to submit a business case to the Treasury for review and approval.

Transparency

3.13   Transparency supports effective evaluation, the sharing of best practice and the increased accountability of decision makers. The Treasury, in line with the drive for greater transparency across government, requires projects and programmes to provide regular reports on progress and some of this data is published. Projects and programmes on the GMPP are required to provide quarterly reports on progress to the Treasury through the IPA. This includes the provision of data on cost and benefit changes over time.

3.14   Since April 2021, all projects and programmes categorised as 'Infrastructure and Construction' on the GMPP have been required to publish a summary business case within 4 months of receiving final approval. For projects, final approval is when its FBC is approved by the Treasury. For programmes, final approval is when the first Programme Business Case is approved by the Treasury. This requirement was set out in the Green Book Review 2020 and the National Infrastructure Strategy.

3.15   From April 2024, all projects and programmes, including non-GMPP projects and programmes, are required to log their evaluation plans and outputs in the Evaluation Task Force's Evaluation Registry. Guidance on using the Evaluation Registry can be found on GOV.UK.[12]

Accounting Officer Assessments

3.16   The relevant AO is responsible to Parliament for the value for money of the project or programme. This approvals process does not replace or reduce this personal responsibility.

3.17   Departments should ensure that all projects and programmes comply with the standards expected of all spending as set out in MPM. This includes compliance with the AO standards of regularity, propriety, value for money and feasibility.

3.18   Accounting Officers should assure themselves beforehand that all projects and programmes put to the Treasury for approval meet the required AO standards. In most routine cases this assurance should form part of the department's standard internal approval processes. Larger or unusual projects and programmes also require explicit prior AO approval to ensure compliance. This would normally take the form of a formal written AO Assessment (AOA) produced by the department or arm's length body, in line with published AOA guidance.

3.19   Departments must always produce an AOA for projects or programmes that are part of the GMPP. In these cases, departments

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[12] For further questions on Evaluation, please contact the Evaluation Task Force (see footnote 10).

must produce an initial AOA at OBC stage for project business cases, at the first approval stage for a PBC, or at the point the project or programme joins the GMPP if that occurs after those stages.

3.20 When there are significant changes to a project or programme, departments should produce an updated AOA to confirm that the AO remains content and that nothing has changed that influences the initial AOA. Such changes may concern value for money, affordability, market appetite, or deliverability – in particular, a 'Red' outcome in IPA independent assurance should trigger a reconsideration of an AOA. If there has been any significant change since OBC approval, departments must produce a full AOA.[13]

3.21 More broadly, the Senior Responsible Owner (SRO) should refer qualifying projects and programmes to Accounting Officers for approval to proceed at key stages of implementation, where there are significant questions about any of the 4 key principles of MPM that have not been addressed at earlier stages.

IPA assurance

3.22 The Treasury is responsible for final approval of the relevant business case for qualifying projects and programmes. The Treasury's decision is informed by departmental assurance for all GMPP projects and IPA independent assurance for agreed priority GMPP projects. It is also informed by Cabinet Office assurance or approval on specified activities. To ensure best practice, the IPA has developed tools to assist projects and can provide early support for agreed priority projects.[14]

3.23 The IPA's Stage Gate Assessments (SGAs) align with the Treasury Approvals Process to offer an independent recommendation on the readiness of a project to pass through a stage gate (a rating of Green, Amber, or Red).[15] A 'Red' outcome suggests a project is not ready to proceed through the stage gate. Where a project or programme receives such a rating from IPA independent assurance, the project or programme enters the 'Response to Red' process. See paragraphs 3.28-3.33 for more detail on this process.

3.24 Projects may be subject to one or more of the following assurance reviews:

- Project Assessment Review (PAR) for Major Project Review Group (MPRG) only

- IPA Stage Gate Assessments

- IPA Annual Reviews (where mandated for the highest priority projects and programmes)

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[13] To support transparency, AO statements should be published alongside any published business cases.

[14] The IPA engages departments in identifying which projects/programmes will qualify for this support, as the decision is made on a case-by-case basis.

[15] See page 12 of the Treasury's project business case guidance on 'The Business Case Development Framework'.

- [Assurance of Action Plan](#) (AAP)

3.25   The IPA has an assurance toolkit (see Tables 3.A and 3.B). This toolkit is split into 2 categories:

- planned assurance, which is included in the project and programme's IAAP

- consequential assurance, which is applied to major projects in difficulty, as identified by the IPA, the Treasury, or the department

3.26   The IPA tailors its assurance activities to individual projects and draws specialists from the public and private sectors to provide robust scrutiny. Specialists come from the IPA, the Government Commercial Function, the CDDO as well as wider government.

3.27   For further information, visit the IPA assurance webpage on [GOV.UK](#).

Table 3.A Planned engagement and assurance tools

Tool	Description
Risk Potential Assessment	Identifies the level and nature of project risk and therefore the degree of assurance required.
Opportunity Framing	Early-stage, workshop-based engagement to align stakeholders and consider the different ways to progress in line with the business case guidance *(commissioned by the SRO of the project or the IPA).*
IPA Stage Gate Assessment (SGA)	A GMPP project must go through a Stage Gate Assessment (IPA's independent assurance) to support all major decision points.
Project Assessment Review (PAR)	Assurance that is tailored to the stage of the project to support an MPRG. This is not conducted instead of a Stage Gate Assessment.
Annual Review	An assurance review conducted between stage gate assessments when there is a significant gap between stage gates of more than 12 months. This is to ensure that applicable projects have yearly IPA reviews. Such reviews adopt the terms of reference as set out in the

IPA Gate 0/ Annual Review Workbook and may be tailored in collaboration with the SRO to ensure it fits logically within the project's lifecycle.

Source: IPA

Table 3.B Consequential assurance tools

Tool	Description
Assurance of Action Plan (AAP)	Provides assessment of whether the project's action plans are sufficient to resolve issues identified through planned assurance.
Targeted Support Interventions	Provision of capability from the centre in support of recovery.
Managed Early Closure	Supports controlled and timely termination of projects.

Source: IPA

Response to Red

3.28   Where GMPP projects receive a 'Red' outcome at an IPA assurance review, they enter the 'Response to Red' process. This is a structured process aimed at ensuring projects and programmes are best supported to take clear, purposeful, and collaborative steps to improve deliverability.

3.29   In the case of a 'Red' outcome from an IPA assurance review:

- IPA writes to the Accounting Officer and Senior Responsible Owner outlining recommended actions the project or programme needs to undertake to proceed; and

- IPA organises an AAP to assess whether the recommendations made in the report have been or are in the process of being implemented and have improved the likelihood of successful delivery. Departments should agree the timing of the AAP with the IPA with an expectation to complete it within 12 weeks.

3.30   If the AAP also returns a 'Red' outcome, the Treasury and IPA convene a formal Case Conference with the SRO and AO. This reviews and agrees:

a) whether the project or programme remains the best way to achieve the stated objectives in its current form;

b) a proposed recovery action plan and plans to set up the project for future success;

c) arrangements for interim spending, where appropriate, to support identified work in the recovery action plan or through a 'reset'; and

d) the timeframe within which the project or programme is expected to return to the Treasury for approval.

3.31　Outcomes of a Case Conference may include agreeing adjustments to a programme, such as a change in departmental resourcing, prioritisation or support.

3.32　If a more fundamental or substantial change is required, the Case Conference may recommend that the project or programme is 'reset'. See paragraphs 3.34-3.37 below for further detail on resets.

3.33　The project or programme usually requires interim approval from the Treasury until the department or arm's length body has produced an updated business case and re-obtained Treasury approval. See paragraphs 3.38-3.40 for further detail on interim spending approval. For more information on 'Response to Red', please see the Government Project Delivery Hub.

Project and programme resets

3.34　Projects and programmes are often delivered in complex and challenging environments. For a variety of reasons, influenced by internal and external factors, they may no longer be able to deliver their intended objectives and outputs in their current form. In these cases, they may be deemed to be undeliverable and a 'reset' may be needed. A reset is a fundamental or substantial change to a project or programme's stated objectives, approach, outputs, schedule and/or whole life cost.

3.35　A reset may be one outcome of the 'Response to Red' process (see 3.32). The need for a reset may also be identified by the SRO and AO, where a project no longer meets the AO standards, or it could be identified by the department, IPA, or the Treasury through their ongoing engagement.

3.36　Resetting a major project or programme on the GMPP should follow a phased approach: identifying the need for a reset, setting it up for success and delivering the reset. Each phase should contain key checkpoints to ensure the programme remains aligned with its overall reset objectives and has the support of the Treasury and the IPA.

3.37　At the end of the process, the relevant department or arm's length body should produce an updated business case for the newly-reset project or programme. Unless otherwise agreed with the Treasury, this normally requires Treasury approval if the project or programme previously required Treasury approval; or did not previously require Treasury approval but now meets at least one of the criteria set out in Box 1.A. If the project or programme previously required Treasury approval, it may also require interim spending approval from the Treasury for the duration of the reset, until it returns for Treasury approval.

Interim spending approval

3.38   The purpose of interim spending approval is to ensure projects and programmes have the funding to complete any necessary steps set out in the recovery action plan before returning to the Treasury for approval. It also applies to projects and programmes that are 'reset' and previously required Treasury approval.

3.39   The interim spending proposal should set out the changes to approach, timelines or milestones that necessitate interim spending approval. The proposal may include costs that are expected to be incurred in the time between Case Conference, or from the decision taken to reset the project or programme and the initiative returning to the Treasury for approval. Interim spending approval is time-limited and it should have a defined expiry date. It should also be clear what the different costs relate to. Where relevant, the proposal may explore options to reprioritise funding across a portfolio.

3.40   Interim spending approval should be subject to AO duties and MPM in the usual way but does not require a full AOA. Interim spending approval should not be seen as a substitute to seeking ordinary Treasury approval of a business case.

Cabinet Office assurance and approvals process

3.41   The Cabinet Office operates certain spend controls on behalf of the Treasury. The controls require central government organisations, including departments and the bodies they sponsor, to obtain Cabinet Office approval prior to spending on specified activities. A spending proposal may be subject to Cabinet Office spending controls if it relates to one of the following: Advertising, Marketing and Communications; Commercial; Digital and Technology; Contingent Labour; National Property Control; Facilities Management; Redundancy and Compensation; and Learning and Development. Details and guidance, including the full list of controls and financial limits, are on GOV.UK.[16]

3.42   Business cases require Cabinet Office spending approval at key stages of the development process, particularly at OBC stage (ahead of market engagement) and at FBC stage (ahead of contract award). While Strategic Outline Cases and Programme Business Cases are not typically subject to Cabinet Office controls, departments are required to develop, maintain, and share forward-looking "pipelines" of activity for many of the spend controls. Early engagement and assurance of pipelines, supported by Strategic Outline Cases or Programme Business Cases, means there is a greater opportunity for functional experts to resolve issues early and avoid later delays. Departments should discuss the process for securing Cabinet Office approval with their Treasury spending team and the relevant functional experts.

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[16] Email cabinetofficecontrols@cabinetoffice.gov.uk for general questions about the spend controls process and policy.

3.43   It is often appropriate for departments to provide further detail for significant spending proposals (or transactions) that form part of a qualifying project or programme.

3.44   Departments should send requests for Cabinet Office spend control approval to the relevant specialist functions within the Cabinet Office – contact details and further information on Cabinet Office control processes, including pipelines, are set out on GOV.UK (see 3.41).

Submission of business cases

3.45   Departments should only submit business cases to the Treasury following the relevant functional sign-off of the proposal. The relevant level of IPA-led assurance, if applicable, should also have been completed or be in the process of completion.

3.46   Typically the department should submit the business case to its Treasury spending team for approval. This should be accompanied by any other significant documentation, including the latest IAAP.

Assessment of business cases

3.47   When agreeing the IAAP, the Treasury spending teams agree the level of scrutiny to apply. This can be changed, for example if the project becomes a project of concern.

3.48   Treasury spending teams (and others where appropriate) carry out an assessment of the material provided by the department in line with the level of scrutiny agreed during the IAAP discussion. The level of scrutiny is a function of factors such as the cost of the proposal, the level of risk involved and the department's track record for managing spending.

3.49   Treasury spending teams work with the Cabinet Office and departments to agree a date for response. The Treasury normally seeks to respond within 28 calendar days of formal submission, with simpler proposals being processed more quickly where possible.[17] If required by the Treasury, there may be a formal panel meeting (MPRG or TAP panel) to carry out further investigation.

Levels of Treasury scrutiny

3.50   All qualifying projects and programmes are approved through one of the three levels of review set out in Table 3.C.[18] The type of scrutiny a project or programme is subject to can change. For example, the Treasury can decide that a project must return for further scrutiny after review. This scrutiny provides an assessment of the spending

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[17] This is subject to early engagement with the relevant Treasury spending team and the CO to ensure the relevant department or arm's length body produces a minimum standard of business case.

[18] This categorisation is not set in stone. For example, a TAP could be convened for relatively lower value proposals if the Treasury spending team deems it useful in providing the necessary scrutiny to support policy recommendations and advice to ministers.

proposal to support advice to Treasury ministers, who decide whether to approve the proposal or not.

Table 3.C Levels of Treasury scrutiny

Type of scrutiny	Type of project or programme	What does scrutiny look like?
Desk-based review	• recommended for the least risky and/or least expensive projects and programmes above the department's DAL • typically not appropriate for projects and programmes that are novel, contentious or repercussive.	• desk-based scrutiny undertaken by the Treasury spending team • input from the Cabinet Office and IPA where applicable
Treasury Approvals Process panel	• recommended for riskier and/or more expensive projects and programmes above the department's DAL.	• panel chaired by the Treasury Director/Deputy Director • panel members from across the Treasury, Cabinet Office, and IPA
Major Project Review Group panel	• recommended for the most complex GMPP projects and programmes, or those which are highly novel, contentious or repercussive. • typically only undertaken for projects or programmes with whole life costs of more than £1bn	• panel chaired by senior representatives from the Treasury and Cabinet Office, including Cabinet Office Permanent Secretary and DG Public Spending or DG for Growth and Innovation • panel members include SCS from across the Treasury, Cabinet Office and IPA as well as external experts

Source: HM Treasury

Desk-based reviews

3.51   Treasury spending teams at official level carry out desk-based reviews to scrutinise projects and programmes not deemed suitable for a TAP panel or MPRG. These tend to be lower risk projects and programmes that are not novel, contentious, or repercussive but are above the department's DAL.

3.52   Treasury spending teams circulate the business case to relevant teams across the Treasury, Cabinet Office, and IPA to contribute to the review. Following this review, they send lines of enquiry to the department. If there are remaining issues or queries, the spending team may organise a TAP panel.

TAP and MPRG panels

3.53   TAP and MPRG panels help improve the quality of proposals, through supportive, constructive, and confidential meetings with project leadership teams. The objective of TAP and MPRG panels is the same: to provide the necessary scrutiny of projects, programmes, and portfolios, which supports recommendations and advice to ministers.

3.54   These panels ordinarily take place to a timeline agreed via an IAAP and/or at the panel chair's discretion. They provide a formal opportunity for spending teams and other stakeholders, such as Cabinet Office Functions, to probe key issues and concerns with business cases, with agreed lines of enquiry prepared in advance of the meeting.

3.55   TAP panels are usually chaired by the relevant Treasury director or deputy director of the spending team leading on the spending proposal. MPRG panels are appropriate when scrutinising the highest profile and most complex projects and programmes on the GMPP. They are jointly chaired by either the Civil Service Chief Operating Officer (Cabinet Office Permanent Secretary) and the Treasury's Director General for Public Spending or Director General for Growth and Innovation.

3.56   The Chief Executive of the IPA, Government Chief Commercial Officer and the Executive Director of the CDDO within the Cabinet Office also sit on MPRG panels. Two independent individuals selected from a pool of senior public and private sector experts also attend to support the chairs and provide robust scrutiny.

3.57   The SRO for the project or programme in question should attend MPRG and TAP panels, alongside a maximum of 5 attendees from the project team and departmental representatives, unless otherwise agreed with the Treasury. The relevant panel organisers should also invite the following to each TAP and MPRG:

- The Treasury spending team

- The Treasury General Expenditure Policy Team

- IPA delivery advisor

- Functional experts, where relevant

- Evaluation Task Force representative

- (MPRG only) Accounting Officer

3.58   TAP panels and MPRG may also consider departmental portfolios of projects and programmes.

3.59   The MPRG Secretariat in IPA is responsible for overseeing and co-ordinating the technical, operational and assessment aspects of the MPRG process. It engages with Treasury spending teams, IPA project delivery teams, IPA assurance teams and relevant functional experts to ensure successful delivery of MPRG panel meetings.

Project Assessment Review (PAR)

3.60   A PAR commissioned by the relevant IPA project delivery advisor is typically carried out 6 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.

3.61   The PAR team study project documentation, including contract documents at close of dialogue/FBC stage, and interview key stakeholders. Where available, the team consider assurance that has been undertaken by others, such as the department's own assurance, audit, and investment decision-making processes. The PAR team test for the existence of Accounting Officer Assessments at key decision points.

3.62   The PAR team focus on the investigation and discovery of evidence capture for MPRG. As with Gate Reviews, the team highlights areas as "noteworthy and positive" or "noteworthy and cause for concern" in its report and investigates areas of concern. Once the terms of reference have been agreed between the relevant parties, they should not be changed during or after the PAR.

Cross-government projects

3.63   Cross-government projects are projects that are either delivered by multiple governmental organisations or have material impacts on multiple governmental organisations.

3.64   This is the case for many of the government's priorities, such as reducing crime and improving health outcomes, or functional reform projects such as those involving IT systems being implemented across different departments.

3.65   For all cross-government projects and programmes, relevant government organisations should work together throughout the development of the business case to ensure they are clear on responsibilities between departments and the precise impacts on other organisations. This should be agreed between departments and consistent across all communications and reporting to the Treasury.

3.66   The project or programme should ordinarily have a lead department responsible for ensuring compliance with the relevant assurance and approvals process as set out in this guidance. This includes timely engagement with relevant departments for input into the business case ahead of central review points, as well as representation at review meetings.

3.67   Where relevant, the lead department should demonstrate how they will harness opportunities to join-up between organisations to improve outcomes. See section 7.6 of MPM for more detail on potential models for joint working.

Accelerated projects

3.68   Early engagement is key to streamlining assurance and approval activities where there is an urgent need. Departments should use an IAAP to agree an accelerated timeline and joint approval processes between Cabinet Office and the Treasury, such as joint reviews, approval panels and/or submissions.

3.69   At the time of agreeing the IAAP, departments should discuss with, and make a request to, their Treasury spending team as to the level of scrutiny they consider suitable and provide the necessary supporting evidence for this in good time.

3.70   It is vital that the Treasury and departments preserve effective scrutiny of proposals within an accelerated review process – i.e. by running steps in parallel rather than in sequence and by providing effective mechanisms for consolidating multiple reviewer inputs.

Chapter 4
Approval decision

4.1   The relevant scrutiny group forms a recommendation to the Treasury and/or Cabinet Office ministers or their nominee, based on the evidence submitted (including IPA and/or departmental assurance), to do one of the following:

- approve the project or programme to proceed as per the proposed plan

- approve the project or programme to proceed with conditions

- reset the project or programme (see paragraphs 3.34 to 3.37 above)

4.2   In the case where recommendations from the relevant assurance processes are not met, the Treasury reserves the right to withhold funding, defer approval, and/or cancel the project or programme.

4.3   In line with MPM (A2.2.3), the Treasury must give approval in writing, even where it initially gave this orally. The department cannot infer approval in the absence of a reply and must seek approval in good time to allow reasonable consideration before decisions are required.

4.4   Spending decisions are taken by Treasury ministers or by officials exercising powers on their behalf. The Treasury routinely delegates approval of spending decisions to officials.

4.5   Following ministerial agreement, the chair(s) or the minister should communicate the outcome of a TAP panel or MPRG in writing to the department. In the case of a TAP panel, this is often the project or programme SRO. In the case of an MPRG, this may be the department's AO and SRO.

4.6   After receiving the ministerial decision, departments should work to agree a credible plan to address conditions. Departments should engage the Treasury, Cabinet Office, and IPA regularly on progress against this action plan. Project teams should provide notice and/or evidence of fulfilment of conditions to the relevant Treasury spending team (in the case of TAP) and MPRG Secretariat (in the case of MPRG) as well as other relevant Treasury, IPA, and Cabinet Office teams.

Annex A
Treasury Approvals Process checklist

A.1 This annex provides a checklist of actions to undertake prior to submitting a Green Book compliant business case to the Treasury for approval. It should be used by all who are seeking Treasury approval of a qualifying project and programme.

Box 4.A Treasury Approvals Process checklist

At the initiation stage:

- Have you engaged the relevant OGDs, the Treasury, IPA, and Cabinet Office in the development of the proposal (e.g. through a joint workshop)?

- Have you determined the type and level of business case that is required for approval?

- Have you developed the business case according to the Green Book and its supplementary business case guidance?

- Have you read through this guidance and determined what level of scrutiny will likely be required?

- Have you consulted your department's legal team (e.g. on whether public consultation will be required before the business case can be approved?)

- Have you set aside the necessary resources for robust and proportionate evaluation, and have you consulted the Magenta Book and/or evaluation experts on scoping and data requirements?

- Have you drafted an IAAP and agreed it with the Treasury, IPA, and Cabinet Office?

- Have you completed a Risk Potential Assessment (if joining the GMPP)?

- Have you completed an Initial Fraud Impact Assessment and had it assured by the Public Sector Fraud Authority?

At the scrutiny stage:

- Have you included an evaluation plan in line with the guidance set out in the Magenta Book?

- Have you taken the business case through internal departmental assurance and approval?

- Have you included the IPA Gateway Review Rating in the Management Case?

- Where required, have you attached an Accounting Officer Assessment (AOA) as an annex?

- Have you developed an Initial Fraud Impact Assessment (IFIA) which highlights areas that need a full fraud risk assessment? Have you been considered this within the design of the project?

Annex B

Assurance required at project and programme stages

B.1   This annex sets out the typical assurance and approval activities for each stage in the development of a project or programme. The number and type of assurance activities depend on the level of scrutiny (see Table 3.C). This information is provided in the summary table below to highlight the respective activities conducted by the IPA, Cabinet Office and the Treasury alongside and/or following departmental assurance and approval activities.

Table B.1 Scrutiny and approval – projects

Project stage	Key preparatory/ assurance activities	Approval activities
1. Preparatory phase before project initiation This stage entails research and development of the initial proposal before formal initiation of the project. An Initial Fraud Impact Assessment (IFIA) should be completed at this stage.	*Opportunity Framing* 'Starting Gate' discussions take place at an early stage in the research and preparation phase. These are commissioned by the SRO or the IPA. A Risk Potential Assessment (RPA) is carried out to understand the nature of project risk and therefore the degree of assurance required. The Public Sector Fraud Authority carries out assurance of the IFIA.	The project team should engage their Treasury spending team on the detail of their proposal.
2. Strategic Outline Case (SOC) SOC is a scoping stage. It confirms the strategic context of the proposal and makes the case for change. It also identifies SMART objectives and sets out an initial longlist and shortlist of options to identify a 'preferred way forward'.	*IPA Gate 1 Review – Business Justification* This is commissioned by the SRO or IPA and must happen before the formal submission of the SOC to the Treasury. The IPA will review the project against the Project Delivery Framework Gate 1 (Business Justification) requirements, as appropriate.	Formal submission of the SOC to the relevant spending team.

	Cabinet Office engagement	
	Cabinet Office controls should be engaged as early as possible, ideally at SOC. Formal controls tend to apply later in the process.	
3. Outline Business Case (OBC) OBC is a planning stage, wherein there is detailed appraisal of the shortlist of options to identify a preferred option based on cost-benefit or cost-effectiveness analysis.	*IPA Gate 2 Review – Delivery Strategy* This is commissioned by the SRO or the IPA and must happen before the formal submission of the OBC to the Treasury. The IPA will seek to review the project against the Project Delivery Framework Gate 2 (Delivery Strategy) requirements as appropriate. *Cabinet Office engagement* Cabinet Office assurance is required for commercial approval before market engagement.	Formal submission of the OBC to the relevant spending team. Approval is required before market engagement.
4. Full Business Case (FBC) FBC is the procurement stage, in which the business case is revisited to incorporate the effects of the preferred bid, test validity of the	*IPA Gate 3 Review – Investment Decision* This is commissioned by the SRO or IPA and must	Formal submission of the FBC to the relevant spending team.

chosen option, and to rework and adjust options if required.

It sets out the full details of the commercial, financial and management arrangements required to deliver

the project successfully.

happen before formal submission of the Full Business Case to the Treasury.

Cabinet Office engagement

Cabinet Office assurance is required for commercial approval before contract award.

Approval is required before signing off commercial contracts.

Source: [Treasury business case guidance](), IPA and CO

Table B.2 Scrutiny and approval – programmes

Programme stage	Key preparatory/ assurance activities	Approval activities
1. Preparatory phase before programme initiation This stage entails research and development of the proposal before formal initiation of the programme. To help teams set programmes up for success, IPA can provide direct support to departments via programme initiation tools such as 'Routemap' assessment and Critical Friend reviews.	*Opportunity Framing* Opportunity Framing takes place at the earliest stage of the project set-up and is commissioned by the SRO or the IPA. This includes a Risk Potential Assessment (RPA) to understand the nature of programme risk and therefore degree of assurance required. This is to support engagement rather than assurance and will not require a Delivery Confidence Assessment.	The programme team should engage the spending team on the detail of their proposal.
2. Strategic assessment This stage sets out the strategic context of the proposal and makes the case for change. It should confirm how the programme:	*IPA Gate 0 Review- Strategic Assessment* This programme review is commissioned by the SRO and must happen before the formal submission of a programme's initial strategic level business case to the Treasury.	Formal submission of the PBC to the relevant spending team. PBC may require one or two approval points to agree an optimum programme design.

- supports national, regional, local, or organisational policies, initiatives and targets - fits within the organisation's business strategy and plans for the achievement of those goals - aligns with the other projects and programmes within the organisation's portfolio.	The IPA reviews the programme and its component projects against the IPA's Gate 1 and Gate 2 requirements as appropriate. *Cabinet Office engagement* Cabinet Office does not formally assure or approve programmes. However, it should be consulted given the interaction between programmes and ensuing projects.	
3. Subsequent tranches The longevity and complexity of programmes means that approval of timing and spending takes place in tranches, as agreed by the reviewing authority at the strategic assessment stage. Programme Business Cases should be produced or updated for each tranche.	*IPA Gate 0 Review- Strategic Assessment* This stage is repeated at key points of the delivery of the programme. The IPA will apply the requirements for Gates 2- 5 to the Gate 0 Reviews as appropriate. Before delivering services, all programmes are expected to undertake a Gate 0 Review and Gate 4 (Readiness for Service) assessment. Before a programme closes, it is expected to undertake a Gate 0 Review and a Gate 5 (Operations Review and Benefit Realisation) assessment. *Cabinet Office engagement*	Approval is required for each tranche. Modification of the programme should take place alongside annual departmental-level reviews. This is repeated until the programme is complete. Individual components of a programme are still subject to the normal project approvals process.

Cabinet Office should be consulted throughout this process.

Source: Treasury business case guidance, IPA and CO

Annex C
Glossary

C.1   This annex sets out a list of the commonly used acronyms in this guidance.

AAP – Assurance of Action Plan

AO – Accounting Officer

AOA – Accounting Officer Assessment

CDDO – Central Digital and Data Office

DAL – Delegated Authority Limit

FBC – Full Business Case

GMPP – Government Major Projects Portfolio

IAAP – Integrated Assurance and Approval Plan

IFIA – Initial Fraud Impact Assessment

IPA – Infrastructure & Projects Authority

MPM – Managing Public Money

MPRG – Major Project Review Group

OBC – Outline Business Case

PAR – Project Assessment Review

PBC – Programme Business Case

RPA – Risk Potential Assessment

SGA – Stage Gate Assessment

SOC – Strategic Outline Case

SRO – Senior Responsible Officer

TAP – Treasury Approvals Process

HM Treasury contacts

This document can be downloaded from www.gov.uk

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