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## DAO 03/26

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### Subject: Spending in a Crisis

Dear Accounting Officer

#### Contact

Please address enquiries to [TOAenquiries@hmtreasury.gov.uk](mailto:TOAenquiries@hmtreasury.gov.uk)

#### Action

Accounting officers and those who support them should familiarise themselves with the new guidance *Spending in a Crisis*. This new handbook contains overview guidance for all officials involved in crisis response work, as well as detailed guidance for accounting officers, Treasury spending teams, and departmental finance functions on how to approach spending decisions and procedures in crisis situations.

Accounting officers should use this handbook to inform their organisation's internal guidance on emergency spending and include these how they will keep delivery partners up to date on the relevant processes.

#### Context

Whatever their nature, crises will nearly always require government to stand up support that involves additional public expenditure, or use of public resources. In such circumstance, the established spending framework continues to apply. This is not just a matter of constitutional propriety and legal requirements (essential as these are), but also to safeguard the use of public funds and help ensure value for money. Ensuring well-targeted expenditure during a crisis will also support the country's ability to recover as the crisis passes and maximise longer-term financial resilience to manage any future emergencies.

In particular, the following remain invariable:

- accounting officers remain responsible for departmental expenditure and for maintaining the accounting officer standards of regularity, propriety, value for money and feasibility in relation to public spending;
- departments must comply with Managing Public Money (including obtaining Treasury consent for any spending commitments beyond their delegated authority); and
- requirements for appropriate budget cover, estimates authority and legal powers to spend money still apply.

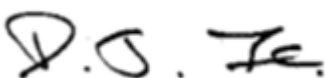
Where appropriate, the Treasury may implement flexibilities within this spending framework tailored to the specific emergency

To support crisis response work, the Treasury has published a new handbook, "Spending in a Crisis", available at: <https://www.gov.uk/government/publications/spending-in-a-crisis>

This document draws on the experience of previous crises to provide both essential overview guidance on spending considerations for all those involved in central government in responding to a crisis, as well as more detailed information aimed at those in departmental strategic finance teams and the Treasury itself. It covers the key aspects of the spending control framework, as well as the adaptations that may be appropriate in responding to a crisis.

Departments should use this handbook to inform their organisation's internal guidance on emergency spending, working with central bodies, including the Public Sector Fraud Authority (PSFA) as appropriate. This guidance should include information on how the department will keep delivery partners up to date on the relevant processes.

More general guidance on managing crises in central government can be found in the "Amber Book",<sup>1</sup> which provides a framework for the UK central government collective response to crises which require co-ordinated action across government.



**David Fairbrother**

Treasury Officer of Accounts

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<sup>1</sup> <https://www.gov.uk/government/publications/the-central-government-s-concept-of-operations>