An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform

Infrastructure Guidelines

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Contents

Foreword

The 2021 National Development Plan (NDP), the largest in the history of the State, has the potential to have a transformative effect on infrastructure in Ireland, improving lives through increased investment in areas such as housing, health, transport, education, enterprise, sport and climate action.

The *Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment, December 2019,* provided a set of guidelines and a project lifecycle from conception to completion, which gave Departments and public bodies the tools to appraise project proposals in line with international standards. These arrangements sharpened the focus on risk and cost management, reduced the compliance burden on low-risk projects, bringing Ireland into line with leading international approaches to major project delivery. In particular, the updated code implemented changes agreed by Government following the cost overrun on the New Children's Hospital and the comparative analysis of investment management in Ireland undertaken by the IMF.

The introduction of the External Assurance Process and the establishment of the Major Projects Advisory Group further improved the governance and oversight arrangements for major projects and this has been seen in the scrutiny that has been afforded by these processes in advance of significant NDP projects such as Metrolink, BusConnects and the Elective Care Centres in Cork and Galway.

While these oversight arrangements have provided a high degree of confidence that projects delivered will provide value for money, there is also a necessity to ensure that projects are delivered in a timely manner and that there are no unnecessary administrative delays hindering this. This is why we have refreshed the requirements for capital projects in the *Infrastructure Guidelines,* reducing the number of approval stages and streamlining the requirements for major projects, while retaining the international best practice governance and oversight arrangements already in place. This will ensure that vital infrastructure projects will be delivered on time and delivered in a manner that ensures value for money.

National Investment Office

21 December 2023

1. Introduction: Evaluating, Planning and Managing Public Investment

1.1. Scope and Purpose of this Guide

This guide sets out the value for money guidelines for the evaluation, planning and management of public investment projects, including purchase or acquisitions of assets or shareholdings, in Ireland. The Guide replaces the Public Spending Code requirements for capital expenditure outlined in *Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment, December 2019*. The arrangements set out here apply to all public bodies and all bodies in receipt of Exchequer capital funding[1].

It is the responsibility of government departments and their Accounting Officers to ensure that, where required, departments and agencies draw up their own sector specific procedures for evaluating, planning and managing public investment, which align with the Infrastructure Guidelines.

The Guide is rooted in the need to obtain maximum value for money through disciplined evaluation, preparation and implementation of investment proposals. Accordingly, its focus is based on sound principles of public financial management. The Guide is designed to be sufficiently detailed to aid better decision making and improved value for money; but sufficiently broad to apply to the spectrum of investment areas that make up the public capital programme. It should be noted that the Infrastructure Guidelines are a living set of documents and will be updated periodically in order to reflect best practice, in particular to ensure that climate considerations are adequately incorporated.

It is aimed at a wide audience:

- Public officials developing, reviewing, overseeing and approving capital investment proposals to be funded by public monies;
- Anyone delivering capital investment proposals funded by public monies;
- Specialists contracted to appraise, plan or deliver a capital investment proposal which will be funded through public monies;
- Academics working in the area of public investment appraisal and management; and those who wish to be informed of the requirements in place for evaluating, planning and managing public capital investment in Ireland.

1.1.1 The National Investment Office

The National Investment Office (NIO) in the Department of Public Expenditure, National Development Plan Delivery and Reform oversees and reports on Government wide infrastructure investment under the National Development Plan, 2021 – 2030 and Project Ireland 2040. The NIO is also responsible for maintaining the national frameworks within which Departments operate to ensure appropriate accounting for and value for money in public capital expenditure such as the Infrastructure Guidelines. Key responsibilities for the NIO include:

- Updating capital appraisal guidelines

[1] In the case of Commercial State bodies not in receipt of public funding, the Board must satisfy itself annually that the Commercial State Body is in full compliance with the Code. Where the full scope of the Capital Works Management Framework does not apply to a body, the principles set out will continue to be of benefit.

- Promoting Infrastructure Guidelines compliance by providing guidance to departments
- Supporting the Major Project Advisory Group in their consideration of major projects

Any queries in relation to the Infrastructure Guidelines should be directed to the National Investment Office[2].

1.2 The Project Lifecycle

The Project Lifecycle refers to the series of steps and activities that are necessary to take the proposal from concept to completion and evaluation. Projects vary in size and complexity but all projects can be mapped to the following project lifecycle structure. There are three approval stages in the lifecycle prior to implementation:

- Strategic Assessment & Preliminary Business Case
- Pre-tender – Project Design, Planning and Procurement Strategy
- Post Tender – Final Business Case

For projects with an estimated capital cost of less than €20m, there are two approval stages in the project lifecycle prior to implementation. Further guidance on this is outlined in Section 2.2.3.

- Preliminary Business Case
- Post Tender – Final Business Case

1.3 Structure

This guidance document is broken down into the following sections:

- Section 2 sets out the roles and responsibilities for Accounting Officers, Sponsoring Agencies and Approving Authorities in evaluating, planning and managing capital expenditure projects. It provides detail on the project lifecycle including approval thresholds and how to apply proportionality in implementing the Infrastructure Guidelines at each point in the project lifecycle.
- Section 3 summarises the recommended elements and review and approval process of the Strategic Assessment & Preliminary Business Case Stage of the project lifecycle.
- Section 4 summarises the recommended elements and review and approval process of the Pre-Tender – Project Design, Planning and Procurement Strategy stage.
- Section 5 summarises the recommended elements and review and approval process of the Post-Tender – Final Business Case Stage.
- Section 6 summarises the Implementation and Post Completion Review and Benefits Realisation stages of the project lifecycle.

Further guidance on each stage of the project lifecycle can be found in the following documents.

Infrastructure Guidelines: A Guide to the Strategic Assessment and Preliminary Business Case.

Infrastructure Guidelines: A Guide to the Project Design. Planning and Procurement Strategy.

Infrastructure Guidelines: A Guide to the Final Business Case.

Infrastructure Guidelines: A Guide to the Implementation Stage.

Infrastructure Guidelines: A Guide to the Post Completion Review and Benefits Realisation

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2. Roles, Responsibilities and the Project Lifecycle

2.1 Roles and Responsibilities

This Guide operates within the framework of the Public Financial Procedures. For the purposes of appraising and delivering public investment, the Guide makes a distinction between three administrative roles: The Accounting Officer, the Sponsoring Agency and the Approving Authority. This section sets out the requirements of each actor.

2.1.1 The Accounting Officer and Approving Authority

Adherence to the Infrastructure Guidelines is part of the overall Accounting Officer[3] role in terms of accountability, delivery, regularity, propriety, and ensuring value for money.

As set out in the Public Financial Procedures, each Accounting Officer is personally responsible for the safeguarding of public funds and property under his or her control; for the regularity of all the transactions in each Appropriation Account bearing his or her signature; and for the efficiency and economy of administration in his or her Department.

It is a matter for each Accounting Officer to decide whether processes in place in his/her department/ office/body and associated agencies are appropriate to:

- Ensure compliance with the Infrastructural Guidelines;
- Manage capital budgets overall; and
- Manage budgets at an individual project level.

The Public Financial Procedures will be updated shortly to reflect these responsibilities.

The Accounting Officer of the Government Department funding the project has ultimate responsibility for the project[4]. The Approving Authority is the Department funding the programme / project[5]. The Accounting Officer and Approving Authority have responsibility for:

- Ensuring that, where required, departments and agencies draw up their own sector specific procedures for evaluating, planning and managing public investment that align with the principles and recommended elements of the Infrastructure Guidelines. These arrangements should be drawn up in consultation with the National Investment Office in DPENDR, in particular where guidance may deviate from that set out in the Infrastructure Guidelines;

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[3] The Accounting Officer referenced in this guide is the Accounting Officer of the Government department funding the investment proposal. The Accounting Officer is a senior official (normally the Secretary General) in each Department or Office who is specially and personally charged with signing the Appropriation Account and who is accountable for the propriety of the Department's expenditure, the accuracy of the account and for prudent and economical administration.

[4] In the event that there is a co-funding arrangement with a body that is not a public body, it is required that the Approving Authority retain certain Approving Authority functions through the project lifecycle as appropriate to the level of public investment. The specific arrangements should be clearly set out in the project governance arrangements.

[5] In certain instances, as part of a delegated sanction agreement the role of day to day Approving Authority may lie with a Body under the aegis of a Government Department (i.e. TII or NTA with the Department of Transport). However, the ultimate responsibility for the project still lies with the Accounting Officer of the Government Department.

- Assessing the Strategic Assessment and Preliminary Business Case for an investment proposal against this Guide, sectoral guidance where appropriate, and clear value for money criteria;
- Deciding whether or not to grant Approval in Principle at Approval Gate 1;
- In the case of investment proposals estimated to cost over €200 million:
    - Engaging in the External Assurance Process
    - Forwarding the Preliminary Business Case to DPENDR for review by the Major Projects Advisory Group in advance of a decision being taken.
- Assessing the Detailed Business Case and Procurement Strategy against this Guide, and where appropriate, sectoral guidance, the Capital Works Management Framework, and clear value for money criteria. Deciding whether or not to give approval at Approval Gate 2 to proceed to Tender;
- Assessing the Final Business Case including the updated information on costs and scope from the tender process against this Guide, sectoral guidance and clear value for money criteria to decide whether or not to approve the project at Approval Gate 3 to award the contract;
- Monitoring the project as it is implemented and reviewing whether or not the project should progress should major developments occur that threaten the viability of the project;
- Reviewing the Ex-Post Evaluation Report incorporating lessons learned into processes and guidance, and, where appropriate, submitting it to the DPENDPDR for review and dissemination;
- Notifying the Government should adverse developments occur, including unforeseen cost increases or changes to the proposal scope, which call into question the desirability or viability of the investment proposal. The Approving Authority should submit a report at the earliest possible moment to Government detailing the necessary measures to rectify the situation; and
- Ensuring the Strategic Assessment and Preliminary Business Case, the Final Business Case, the Project Completion Report and the Ex-post Evaluation Report are published as soon as possible, in particular after the decision to approve the proposal at the relevant stage has been taken.

2.1.2 The Sponsoring Agency

The Sponsoring Agency has primary responsibility for evaluating, planning and managing public investment projects within the parameters of the Infrastructure Guidelines. The Sponsoring Agency may be a government department, local authority, state agency, higher education institute, cultural institution or other state body[6]. Its key responsibilities are:

- Preparing the Strategic Assessment and Preliminary Business Case including conducting appropriate financial, economic and sensitivity appraisal and submitting it to the Approving Authority for Approval in Principle at Approval Gate 1,;
- As part of the Pre-tender – Project Design, Planning and Procurement Strategy Stage - preparing a Detailed Business Plan which includes detailed costs, a detailed design brief, a Risk Management Plan, a Benefits Realisation Plan, commercial and management arrangements; and a Procurement Strategy. The Detailed Business Plan to be submitted to the Approving Authority for approval at Approval Gate 2 to proceed to tender;

[6] Where the Office of Public Works (OPW) is undertaking a project in response to a request from a government department or office it is the responsibility of the relevant Approving Authority to clarify with the OPW at an early stage who the Sponsoring Agency is and to clearly set out responsibility for project roles.

- Procuring the project in line with national procurement guidance and, where applicable, the Capital Works Management Framework (CWMF) and updating the Final Business Case to take account of all the new information arising from the tender including cost and scope before seeking approval of the Approving Authority (at Approval Gate 3) to award the contract;
- Monitoring and managing the Implementation Stage of the project in line with approval given including regular reporting to the Approving Authority and robust management of the contract. If developments occur that impact on the viability of the investment proposal, the Sponsoring Agency is responsible for notifying the Approving Authority immediately;
- Planning and conducting a review of the investment proposal, incorporating lessons learned into processes and guidance, and submitting a Project Completion Report to the Approving Authority as the project concludes; and
- Planning and conducting an ex-post evaluation of the capital investment proposal incorporating lessons learned into processes and guidance, and submitting an Ex-Post Evaluation Report to the Approving Authority.

2.2 Project Lifecycle – Approval Stages

2.2.1 Project Lifecycle Stages

Of the five stages in the project lifecycle, the three stages prior to project implementation are approval stages.

1. Strategic Assessment & Preliminary Business Case – Approval Gate 1 approval by the Approving Authority is approval in principle for the proposal.
2. Pre-tender - Project Design, Planning and Procurement Strategy – Approval Gate 2 approval by the Approving Authority is approval for the project to proceed to tender
3. Post-tender - Final Business Case – Approval Gate 3 approval by the Approving Authority is approval to award the main construction contract.

Subject to approval at each approval stage, each project must work its way through the project lifecycle.

The stages can occur over a significant time period meaning that active management of the project is required throughout to ensure the project outcomes are achieved and value for money secured.

Project management principles set out in existing guidance, such as the Capital Works Management Framework and the Civil Service Project Management Handbook, and best practice models for the direction and management of portfolios, investment proposals should be utilised to ensure the successful, timely and cost effective delivery of policy outcomes.

The project lifecycle is not necessarily linear. Investment proposals can move sequentially through the stages or loop back at different points as issues arise with the proposal or circumstances change.

In reality, there may be overlap between the different stages. Fulfilling the requirements in the project lifecycle can require different inputs from different stages in the lifecycle depending on the individual project. Where a programmatic approach, involving multiple smaller projects, is undertaken, it is recommended that the programmatic structure for the constituent projects be clearly outlined and discussed to identify whether specific sequencing for projects may be required, to determine the stages to be followed.

Box 2.1 Programmatic Approach to Capital Investments

> Programmes are defined as constituted of a number of related projects being managed in a manner that is intended to realise benefits and controls that could not be achieved by delivering projects individually. They are alternative means of structuring capital investments with a focus on delivering wider strategic outcomes rather than a focus on the efficient and timely delivery of specific outputs associated with standard capital investment projects.
>
> Where a programme involves several smaller constituent projects which together achieve the desired benefits, it would be appropriate to clearly identify one Sponsoring Agency where multiple public bodies may be involved. This would allow multiple stakeholders to contribute and input into the programme of works throughout development that concerns them. The main Sponsoring Agency selected is based on strategic and financial considerations and also allows for the creation of a specialised governance arrangement to include other stakeholders.

2.2.2 Project Lifecycle and Approvals

A fundamental tenet of the approach is the incremental approvals process. To prevent lock-in, protect scarce Exchequer resources and ensure maximum value for money, proposals are approved to advance to the next stage in the process rather than overall investment proposal approval. This is approval to a commitment of the level of resources required for the next stage in the lifecycle. This allows the commitment of relatively limited resources to the proposal only as required with the budgetary commitment increasing as the project moves through the lifecycle. While there may be a commitment in principle to the policy objectives being pursued, departments and public bodies can be prepared at any stage, despite costs having been incurred in appraising, planning and developing a project, to abandon it if on balance, continuation would not represent value for money. Where a programmatic approach is undertaken, this approach may involve constituent projects progressing through the lifecycle at different paces depending on their nature.

2.2.3 Project Lifecycle and Proportionality

The scale and detail of evaluation, planning and management of public investment is commensurate with the scale of the proposal under consideration. As a general provision, the principles and processes set out here apply to all forms of public investment.

The following parameters may be used to guide the application of this Guide[7].

- For proposals with an estimated capital cost of less than €20 million, Approving Authorities may commence a project without need for the strategic assessment elements of the Preliminary Business Case[8];
- All proposals are to be financially appraised. For proposals with an estimated capital cost less than €20 million, Approving Authorities should engage with Sponsoring Agencies as to

[7] Financial thresholds set out here relate to full capital cost estimates of projects including all elements – land costs, VAT, professional fees etc.

[8] However, the Preliminary Business Case must clearly document the strategic case, rationale and objectives of the proposal.

whether an economic appraisal is required and the appropriate type of economic appraisal. This is set out in sector-specific guidance where relevant;

- For proposals with an estimated capital cost of less than €20 million, Approving Authorities are not required to conduct Ex-Post Evaluations on all projects, a representative sample will suffice;
- For proposals with an estimated capital cost of less than €20 million, Sponsoring Agencies and Approving Authorities are not required to carry out the elements outlined at the Pre-tender – Project Design, Planning and Procurement Strategy stage of the project lifecycle or seek approval at AG2. They should follow the steps outlined by the OGP in the Capital Works Management Framework prior to tendering for the main contract; and
- Proposals with an estimated capital cost in excess of €200 million are considered Major Projects[9]. The requirements for a major project are set out in Section 2.3.

These thresholds will be reviewed approximately every three years and updated where appropriate.

2.3 Major Projects

Proposals with an estimated capital cost in excess of €200 million are considered Major Projects and are subject to the following:

  - External Assurance Process at the Strategic Assessment and Preliminary Business Case (AG1) stage of the project lifecycle.
  - Review by the Major Projects Advisory Group at the Preliminary Business Case (AG1) stage of the project lifecycle.
  - Consideration by Government at the Preliminary Business Case (AG1) and Final Business Case (AG3) stage of the project lifecycle.

Government consent is sought through a Memorandum for Decision[10]. The day-to-day Approving Authority functions in those instances remain the responsibility of the relevant public body which is funding the proposal.

2.3.1 External Assurance Process

The External Assurance Process (EAP) for major capital projects (project proposals with an estimated cost over €200 million) provides a standardised method to support both business and project and programme assurance. In this way, the EAP improves the quality of investment proposals being brought forward and will provide expert insight to Sponsoring Agencies and Approving Authorities.

Funding departments engaging in the EAP follow the requirements outlined in Circular 25/2021 "Update of the Public Spending Code: Guidelines for the External Assurance Process for Major Public Investment Projects"[11].

The Sponsoring Agency & Approving Authority clearly highlight what recommendations were made in the External Review, and what updates or changes were made to the Preliminary Business Case to

[9] In the case of major projects where the cost is not being fully met by the Exchequer, the funding Department should engage with DPENDR on whether the proposal should be subject to the full requirements of a major requirement.

[10] For projects that fall into this category, the Memorandum for Decision should be brought at Approval Gates 1, and 3 as set out in this Guide.

[11] https://www.gov.ie/en/circular/9108b-252021-update-of-the-public-spending-code-guidelines-for-the-external-assurance-process-for-major-public-investment-projects/

incorporate them, prior to the Preliminary Business Case being submitted to MPAG for their review. Recommendations not incorporated are provided to MPAG in a separate list.

2.3.2 Major Projects Advisory Group

The purpose of the Major Projects Advisory Group is to support the application of the Infrastructure Guidelines and consider major public investment proposals (in particular in relation to costs, scheduling, delivery and risk) in advance of Government consideration at the Preliminary Business Case stage.

The Major Projects Advisory Group (MPAG) supports the Department in assimilating the outputs from the external reviews, and aiding government departments and agencies in improving the quality of project proposals, informed by the perspective of those who have successfully delivered major public infrastructure in Ireland. Project proposals and external reviews are scrutinised by MPAG as a prerequisite to seeking Government consent in principle to proceed with the proposal.

The process which MPAG follow requires the sponsoring agencies to submit appraisal documents to MPAG for review. MPAG then hold a pre-meeting to identify issues and provide initial feedback to the sponsoring agency. The sponsoring agencies are then to provide a response to the key issues raised by MPAG. At this point, the MPAG will meet with key stakeholders to discuss the proposal and the external review provided. MPAG will then provide a review note on the areas of concern, positive aspects of the proposal and recommendations. This review note is then sent to the relevant stakeholders prior to the Approving Authority seeking government consent for approval of the proposal at Approval Gate 1.

3. Strategic Assessment & Preliminary Business Case

The Strategic Assessment & Preliminary Business Case Stage is the first stage of the project lifecycle and is critical for developing the strategic case for the proposal, considering in detail the range of options available and identification of risks to decide whether a project has a case for proceeding. The Preliminary Business Case incorporates the Strategic Assessment, detailed options appraisal and when finalised will also incorporate assessments of risk along with the proposed approach to implementation of the proposal.

3.1 Purpose of the Strategic Assessment & Preliminary Business Case

The purpose of the Strategic Assessment is to examine the rationale for potential policy interventions and ensure the strategic fit of potential investment proposals with government policy, in particular the National Planning Framework and National Development Plan.

A common cause of problems in projects in Ireland and internationally (and common to the private and public sectors) is a failure to clearly specify objectives and desired outcomes at the outset. The Strategic Assessment is designed to guard against this and ensure early engagement with and scrutiny of potential public investment proposals.

Where programmes of investment are composed of a high number of similar or replicable schemes – for instance social housing developments or urban regeneration initiatives - it may be appropriate to undertake the strategic assessment for the programme as a whole.

The Sponsoring Agency proceeds to developing a Preliminary Business Case if the rationale set out in the Strategic Assessment elements of the stage are sufficient to warrant a public policy intervention and are aligned with national and sectoral policy. The strategic assessment elements of this stage are submitted to the Approving Authority for consideration prior to the development of the Preliminary Business Case.

The Preliminary Business Case is critical in the assessment of potential investment proposals:

- For the Sponsoring Agency it provides a framework to assess costs, benefits, affordability, deliverability, risks and sensitivities associated with potential project or programme options.
- For the Accounting Officer and Approving Authority it provides the information required to inform decisions on the viability and desirability of public spending proposals.

The Preliminary Business Case process is iterative and should be viewed as both a process and a product. In the event that an investment proposal progresses through the lifecycle stages, the business case is updated continuously as new information becomes available.

3.2 Required elements of The Strategic Assessment and Preliminary Business Case

Before the decision is taken to develop a Preliminary Business Case for a proposal, a Strategic Assessment of the proposal is carried out. This sets out:

- Investment rationale
- Objectives

- Strategic alignment with Government policy – in particular the National Planning Framework and National Development Plan
- Preliminary demand analysis
- The long-list of potential options

The Sponsoring Agency proceeds to developing a Preliminary Business Case if the rationale set out in the Strategic Assessment elements of the stage are sufficient to warrant a public policy intervention and are aligned with national and sectoral policy. The strategic assessment elements of this stage are submitted to the Approving Authority for consideration prior to the development of the Preliminary Business Case.

The Preliminary Business Case includes the following elements[12]:

- Confirmation of the strategic relevance of the proposal and detailed specification of the objective of the proposal
- Description of the short-list of potential options to deliver objectives set out
- Detailed demand analysis and description of underlying assumptions
- Assessment of climate and environmental performance
- Options appraisal, including:
    - Financial appraisal
    - Economic appraisal
    - Sensitivity analysis
- Assessment of affordability within existing resources
- Risk assessment, allowance for optimism bias and full risk management strategy
- Proposed approach to procurement
- Proposed approaches to implementation and operation
- Assessment of delivery risk
- Plan for monitoring and evaluation including key performance indicators
- Recommendation for the Approving Authority

In certain instances, there may be allowances at Preliminary Business Case stage, for the submission of a single programme level approach provided it captures all the necessary and required information of all the constituent projects. This approach will help to streamline the project lifecycle process at Approval Gate 1, given constituent projects within a programme may progress at different rates, and may result in a number of Preliminary Business Cases otherwise being prepared.

Further guidance on this stage of the project lifecycle can be found in *Infrastructure Guidelines: A Guide to the Strategic Assessment and Preliminary Business Case.*

[12] This list is designed to show the required elements rather than represent a prescriptive table of contents for the Preliminary Business Case.

3.3 Reviewing the Strategic Assessment and Preliminary Business Case and Approval Gate 1

The Strategic Assessment and Preliminary Business Case is sent to the Approving Authority for review. The Accounting Officer and Approving Authority checks the completeness of the Preliminary Business Case in terms of the required elements.

At this point in the project lifecycle, the proposal presents a clearly set out preferred option and approach to delivery, with evidence of outline design on which costings, economic and financial appraisals are based.

If the Accounting Officer and Approving Authority are satisfied that the Strategic Assessment and Preliminary Business Case meets the required standard, that there is a justification for the proposed project, it can approve the preferred option to proceed to Pre-tender – Project Design, Planning and Procurement Strategy. This is Approval in Principle and represents Approval Gate 1 in the lifecycle.

In some sectors, Approval in Principle may occur later in the project lifecycle. This will be clearly set out in the agreed sectoral framework(s).

Accordingly, the actions available to the Accounting Officer and Approving Authority at this point are:

- Abandon the proposal
- Seek refinement or further development of the Preliminary Business Case
- Approve the proposal in principle to proceed to the Pre-tender – Project Design, Planning and Procurement Strategy stage.

Approval Requirements for Major Projects

By the time a major project is considered by Government at Approval Gate 1, it has achieved a level of development that:

- Is clear on the objectives and benefits sought to be achieved by the project.
- Has a robust demand analysis with appropriate horizons, showing policy alignment (sectoral, planning, climate, social and economic).
- Documents an objective options appraisal with outline design of the viable options leading to a 'preferred solution' that supports a credible cost estimate to include:
    - Broad stakeholder and public engagement (including consideration of likely objection levels with the planning process)
    - An assessment of construction productivity requirements, such as modularity etc.
- Outlines the procurement strategy with reference to supply chain capacity and appetite, approach to risk management and achieving value for money.
- Outlines project team, leadership, resources and experience relevant to the project.

The requirements necessary for approval of a major projects proposal at Approval gate 1 is:

- EAP Process - the proposal is required to go through the standardized process of review by independent experts prior to government consideration.
- MPAG - Project proposals and external reviews are scrutinised by MPAG as a prerequisite to seeking Government consent for approval in principle to proceed with the proposal.
- Government Consent - Government consent must be sought at Approval Gate 1 to approve the investment proposal in principle.

4. Pre-Tender – Project Design, Planning and Procurement Strategy

The Pre-tender Project Design, Planning and Procurement Strategy is the second approval stage in the project lifecycle. At this stage the preferred option is subject to more detailed scrutiny, assumptions are further tested and refined, risks are better understood and the design stage is sufficiently advanced to arrive at the Detailed Business Case. This stage includes the development of the procurement strategy and project execution plan.

4.1 Purpose of Project Design, Planning and Procurement Strategy

Investment proposals proceeding on incomplete or inaccurate project briefs will invariably require amendment after project design or construction has begun. Such changes inevitably give rise to delays or additional costs. The later the changes are made in the delivery process, the more expensive they become. To avoid unnecessary, unpredictable and uncontrolled changes in costs, Sponsoring Agencies specify their output requirements accurately, precisely and comprehensively at the start or as early as possible in the investment proposal delivery process – this is the primary purpose of Design and Planning.

Key tasks at this point include:

- Developing further the governance structures that will be used throughout the life of the project;
- Reviewing and confirming assumptions and constraints on which the Approval in Principle was based, including budget estimates;
- Reviewing the assumptions which underpinned the preferred option;
- Preparing the Detailed Business Case;
- Developing and refining the budget within the Detailed Business Case;
- Developing a Project Execution Plan; and Deciding on a Procurement Strategy.

The Capital Works Management Framework (CWMF) is complementary and derives from the Infrastructure Guidelines. It contains key requirements and guidance for this stage. Of particular relevance to the Planning & Design Stage is guidance provided in relation to investment proposal management, project definition and the definitive project brief, and budget development. The CWMF will be updated to reflect the specific provisions of the Infrastructure Guidelines. In the interim, it continues to provide support documentation which remains consistent with the principles that underpin these Guidelines.

Where a programme of works is undertaken, the design, planning and procurement stages may proceed at different stages, depending on the nature of constituent projects and whether they are interdependent. Where differences may occur in timelines, they are minimised as much as possible, with the documentation setting out how programmes and their constituent projects intend to be submitted for seeking approval.

Further guidance on this stage of the project lifecycle can be found in *Infrastructure Guidelines: A Guide to the Pre- Tender – Project Design, Planning and Procurement Strategy.*

4.2 Reviewing Design, Planning and Procurement Strategy and Approval Gate 2

The Detailed Business Case and Procurement Strategy is sent to the Approving Authority for review. The Accounting Officer and Approving Authority check the completeness of the Detailed Project/Programme Brief and Procurement Strategy in relation to the required elements.

After reviewing, the Accounting Officer and Approving Authority can decide to:

- Abandon the proposal.
- Seek refinement or further development of Detailed Business Case or Procurement Strategy.
- Approve the proposal to proceed to Tendering.

This is a critical milestone in the project lifecycle and it is imperative that the Accounting Officer and Approving Authority is satisfied with the project as designed. Any developments which have taken place at the design and planning stage are considered within the parameters of the economic and financial appraisal and the appraisal is reviewed where there have been material changes which may have undermined the basis on which Approval in Principle was granted at Approval Gate 1. The Accounting Officer and Approving Authority must be satisfied that the project continues to represent maximum value for money.

Approval Requirements for Major Projects

The requirements necessary for approval of a major projects proposal at Approval Gate 2 are:

- Ministerial Approval - Ministerial approval from the funding Department must be sought at Approval Gate 2 to approve the proposal to proceed to tendering.

Major project proposals are not required to be submitted for External Review or consideration by the Major Projects Advisory Group at this stage of the project lifecycle. However, if there are outstanding issues or concerns around the proposal that the MPAG feel need further scrutiny before proceeding to the tendering, MPAG may request in their review report at the Strategic Assessment and Preliminary Business Case stage that the proposals be submitted to them again for consideration at the pre-tender stage prior to Approval Gate 2.

5. Post-Tender: Final Business Case

The Final Business Case is the last and final approval stage in the project lifecycle. The purpose of the Final Business Case is to reassess the assumptions underpinning the Preliminary Business Case and reconsider the findings emerging. At this stage in the process there will be much greater understanding of a range of critical issues including costs, benefits, risks, delivery and affordability. The Final Business Case reflects this enhanced body of knowledge relating to a proposal and reassesses the ongoing validity of continuing with the investment.

As with the Preliminary Business Case, the Final Business Case is both a process and a product. The process encompasses gaining deeper understanding of the proposal which began with the Detailed Business Case and Procurement Strategy and continues with the reconsideration of the economic and financial case and examination of delivery programme and risks. The *product* is the Final Business Case report which sets out the full body of knowledge on the proposal and reflects a range of commercial and delivery issues which have emerged following the tendering process. Together these elements provide a basis on which to decide whether to proceed with a project.

In many cases diligent investment proposal preparation at the earlier phases of the project lifecycle will mean that there will be little change at this point and completion of the Final Business Case Report will be routine.

The Final Business Case is regarded as a live process which will have been continuously refreshed following Approval in Principle. It is not a 'new' document to be completed ab initio post-tendering.

The Final Business Case Report is completed and forwarded to the Approving Authority after the tendering process but before the award of the main construction contracts.

5.1 Content of the Final Business Case

The Final Business Case Report is an update and expansion on the Preliminary Business Case Report and includes the following elements:

- Final confirmation of the strategic relevance of the investment proposal and detailed specification of the objectives of the proposal.
- The Detailed Business Case as set out in the Planning and Design Phase and as confirmed by the tendering process.
- Economic and financial appraisal using updated information from the tendering process as necessary.
- Re-examination of affordability within existing resources and with particular reference to the Medium Term Exchequer Capital Envelope for projects funded from Voted expenditure.
- Full risk assessment and consideration of remaining optimism bias.
- Detailed delivery schedule.
- Benefits realisation plan.
- Evaluation plan.

Further guidance on this stage of the project lifecycle can be found in *Infrastructure Guidelines: A Guide to the Final Business Case.*

5.2 Reviewing the Final Business Case and Approval Gate 3

The Final Business Case is sent to the Approving Authority for review. The Accounting Officer and Approving Authority must check the completeness of the Final Business Case in terms of the required elements.

Where a programmatic approach is being pursued, at Final Business Case stage, interdependent and related constituent projects may be bundled together into packages for submission, even if the overall nature of the programme means multiple submissions and approvals will be required at each Approval Gate. The bundles of projects consider the nature of the constituent projects, the structure of delivery, and the interdependent nature of projects amongst other relevant information.

Where the structure of a programme requires the submission of a Final Business Case for each constituent project, the project level Final Business Case provides a summary of the updated appraisal of the overall programme to ensure the Accounting Officer and Approving Authority is aware of the most recent projections regarding the programme’s potential costs and benefits.

If the Accounting Officer and Approving Authority is satisfied that the Final Business Case meets the required standard, that there is a justification for the proposed project, that it is affordable within funding constraints and that it is a high priority relative to competing proposals, it can approve the project to proceed. This represents Approval Gate 3 in the lifecycle.

Accordingly, the actions available to the approving authority at this point are:

- Abandon the proposal
- Seek refinement, further development or retendering of an amended scope
- Approve the proposal to proceed

Approval Requirements for Major Projects

The requirements necessary for approval of a major projects proposal at Approval Gate 3 is:

- Government Consent - Government consent must be sought at Approval Gate 3 to approve the investment proposal to proceed.

6. Implementation and Post Completion Review and Benefits Realisation

6.1 Implementation

The Implementation Stage of an investment proposal begins once final approval for the award of a contract has been secured. The critical tasks at this stage are to award the contract, manage and monitor the project to ensure that it is executed satisfactorily, within budget, to standard and on time. Implementation of the project is the responsibility of the Sponsoring Agency while the Accounting Officer and Approving Authority must be satisfied that the Sponsoring Agency delivers the investment proposal as approved.

Further guidance on this stage of the project lifecycle can be found in *Infrastructure Guidelines: A Guide to the Implementation Stage.*

6.2 Post Completion Review and Benefits Realisation

This stage is the last stage of the project lifecycle and is critical for identifying lessons learned and driving the process of continuous improvement in how public bodies evaluate, plan and manage public investment projects. The Stage translates the lessons learned from an individual project or programme back into the bank of learning to inform sectoral and national guidance and future projects.

Further guidance on this stage of the project lifecycle can be found in *Infrastructure Guidelines: A Guide to the Post Completion Review and Benefits Realisation.*