

Green Book Review 2025 The Infrastructure Forum October 2025

Comments on Findings and Actions

ACTION 1: HM Treasury will work with relevant departments, including MHCLG and the Department for Transport (DfT) as well as local and regional government, to introduce place-based business cases. These will bring together the different projects that are needed to achieve the objectives of a particular place. Place-based business cases will make sure that the government properly assesses the complementarities between different projects, such as housing and transport.

1. Too often, the benefits of investment in areas such as transport have been considered in isolation. Appraisals have focused narrowly on specific benefits, such as travel time savings, to justify investment cases. Yet the wider benefits, such as regenerating a high street or expanding housing supply, are equally, if not more, significant. The future system must **take a broader mission-based view, capturing the potential to transform places and deliver genuine social value across multiple government departments.**
2. In the past, place-based outcomes have been defined too generically. It is important to **use local needs assessments and to engage directly with stakeholders to develop outcomes tailored to each place.** These outcomes should not be based on generic metrics but instead should be life-changing and transformative for residents. Consensus is needed on the kinds of wider sociocultural benefits that should be recognised, for example, improvements in wellbeing.
3. One idea worth exploring is **aligning place-based objectives with the government's core missions and assuring all government departments where benefits may accrue outside the sponsoring department are consulted.** This would help ensure that local ambitions are consistent with the national direction of travel.
4. If multiple business cases are layered within a single locality, significant resources will be needed to guide, coordinate, and prioritise them. **Mission-based thinking could assist with prioritisation,** though it may also necessitate difficult choices between missions. A clear framework would be required to support this within central government with the sponsoring department having a coordination duty, potentially with Cabinet Office/HM Treasury

5. There is a risk of ‘place-based benefits’ being added to business cases simply to improve their chances of approval, without genuinely benefiting the area. A **structured needs assessment across the UK** would help ensure that proposed benefits are authentic and locally relevant. This needs strategic cross-sectoral plans to be put in place. The Green Book also needs to encourage “**right-to-left**” thinking - starting with where you wish to end-up, and then working backwards in developing business cases.
6. This agenda is closely linked to systems thinking at both local and national levels. The updated Green Book **must recognise the cumulative, domino effect of interventions**. The first project may have high costs and limited immediate benefits, but it can create the conditions for further investment and significant long-term gains.
7. Another essential step is to **embed a feedback loop to evaluate the effectiveness of place-based business cases**. We need to know whether promised benefits are delivered. **Strengthening evaluation** to match the focus currently given to appraisal would be highly beneficial. A growing body of evaluation evidence exists and should be fed into future decision-making.
8. Currently, the **burden of proof on investments is extremely high**. Projects are required to demonstrate that benefits would not arise without their intervention. In a place-based system, this **threshold should be lowered**, while still retaining appropriate safeguards. Treasury, MHCLG and DfT must consider carefully where this bar should be set.
9. **Distributional impact analysis must be strengthened**. The same intervention in two different locations will not deliver the same outcomes. Appraisal should therefore take account of the starting conditions of each place, and the characteristics of the individuals most likely to be affected.

KEY POINTS:

- **Adopt mission-based, place-specific business cases** that integrate housing, transport, economic and other interventions to reflect the full spectrum of social cultural value — moving beyond siloed appraisals focused on narrow metrics like travel time savings.
- **Mandate cross-departmental alignment** for place-based investments, ensuring that benefits accruing outside the sponsoring department are recognised and coordinated across HM Treasury, Cabinet Office, MHCLG, DfT, and others.
- **Introduce structured local needs assessments** to ensure business cases reflect authentic, transformative outcomes for residents — not generic or tokenistic benefits.
- **Develop a prioritisation framework** within central government to manage layered business cases in a single locality, guided by mission-based thinking and supported by a coordination duty (potentially led by Cabinet Office/HMT).
- **Strengthen evaluation mechanisms** by embedding feedback loops that track whether promised place-based benefits are delivered with post-project appraisals, and feed this evidence into future decision-making.
- **Lower the burden of proof** for place-based interventions where appropriate, recognising that early-stage projects may unlock long-term cumulative benefits.

- **Enhance distributional impact analysis** to reflect the differing starting conditions of places and populations, ensuring that appraisal captures real-world variation in outcomes.

ACTION 2: HM Treasury will improve the Green Book guidance on appraising transformational change. HM Treasury will commission an independent review of the Green Book discount rate to make sure that the government is taking a fair view of the long-term benefits that arise from transformational investments.

10. A specific issue raised was in the case of housing and regeneration projects, where there has long been difficulty in capturing uplifts in property values that result from regeneration programmes. Land Value Uplift is used as a proxy to measure social value gains of land use development. Whilst sound in theory it doesn't make good public relations sense given the concerns around the high cost of housing. HMT / DHCLG and partner organisations should build on existing research to develop further understanding and standardised metrics to supplement LVU in BCRs and Business Cases to express the benefits in a more real way at the place based level. These might include forecast changes in housing costs with / without the investment at different housing market price points.
11. Across infrastructure sectors, a recurring challenge lies in **valuing optionality and the benefit of building in a degree of additional future-proofing capacity** that may not serve current users but will generate significant value for future consumers. Electricity networks provide a clear example - had greater capacity been built in the past, today's system would be far less constrained.
12. Historical examples also illustrate the point. The construction of the London River embankments in the mid-Victorian period was transformational, enabling the city's long-term growth through public health, environmental transport and accessibility benefits. Yet, one economist had observed that if the Green Book had been applied at the time, the project would likely never have gone ahead. Such examples highlight the limitations of discounting methods in capturing transformational value for missions. The difficulty of forecasting other benefits not envisaged as part of the initial investment is clear and the government should examine ways to factor these into decisions.
13. The most transformational projects are often risky and unproven, yet the current Green Book framework is heavily weighted towards requiring strong evidence bases. This inevitably disadvantages innovative first-of-a-kind projects. Rather than expecting certainty, government should encourage appraisers to present a range of possible outcomes, and probabilities of benefits accruing in ranges enabling ministers to judge whether the potential transformational upside justifies the associated risks. At present, many projects shy away from articulating genuine transformational change for fear of rejection if they cannot supply enough evidence.
14. The Geological Disposal Facility provides an example of a significant long-term programme that struggles within the existing appraisal framework. Its benefits are intangible, yet the case for progressing it is strong. Current rules make approval difficult for precisely the kinds of projects that require long-term vision. There is much to learn

from the Japanese **concept of seventh generational thinking**, which frames decisions in terms of their impacts on future generations.

15. **Shifting from a traditional predict and provide approach (forecasting demand based on past trends and planning accordingly) to a vision and validate approach (defining a desired future and testing policies against that vision)** would also support transformational change. However, this requires a **cultural and mindset shift**. Current modelling is data-heavy, focused on present-day circumstances, and often fails to capture the scale of ambition desired. A vision-led approach would support a lighter, more forward-looking process. In the UK we are good at quantifying risk and should try to better quantify opportunity and upside benefits. Numerous examples from Manchester City Centre regeneration, London 2012 Olympics and Crossrail all exceeded their benefits forecasts.

KEY POINTS:

- **Revise the Green Book discount rate or create probability weighted future benefit “ranges”** to better reflect long-term, transformational benefits.
- **Enable robust valuation of regeneration and future-proofing** by developing methodologies that capture uplifts in property values and the optionality of infrastructure investments.
- **Encourage articulation of transformational change**, even where evidence is uncertain, allowing appraisers to present a range of outcomes and enabling ministers to weigh potential upside against risk.
- **Shift from “predict and provide” to “vision and validate”**, supporting a more forward-looking, ambition-led appraisal culture that tests policies against desired futures rather than extrapolated trends.
- **Recognise the value of accelerating benefits**, giving greater weight to projects that bring forward long-term gains.
- **Support first-of-a-kind and high-risk projects** by adjusting appraisal expectations to accommodate innovation and uncertainty, rather than penalising lack of precedent.
- **Incorporate intergenerational thinking** into appraisal frameworks, learning from global approaches (e.g. Japan’s seventh generational thinking) to assess long-term societal impacts.

ACTION 3: HM Treasury will update the Green Book to provide greater clarity on the role of the BCR in appraisal. It will make clear that the Green Book does not endorse the use of arbitrary ‘BCR thresholds. It will outline that a BCR of less than one does not automatically constitute poor value for money. HM Treasury does not simply rank different projects, with different objectives, by their BCRs as a means of allocating funding.

16. The intended purpose of the Green Book has always been to help the documentation of the reasoning and evidence that underpin decisions, ensuring they are made for the right reasons. However, in practice, BCRs have too often been treated as the decisive factor.

Many projects with strong BCRs have gone ahead despite a lack of project maturity and weak critical thinking elsewhere, while other well-evidenced and strategically important projects have been rejected because they could not clear the 1.0 hurdle. **BCRs can therefore obscure poor decision-making and must instead be seen as one factor considered alongside the other dimensions of a business case.**

17. Value for money is still important. The correct approach should be for the Green Book to continue strengthening the link between the Strategic and Economic Dimensions.
18. Too often, the first question reviewers ask is, “What’s the BCR?” rather than considering broader benefits. **Stronger emphasis on qualitative and less easily measurable benefits** would improve the process. **Providing examples of what good qualitative evidence looks like** would also be helpful to practitioners.
19. Additionally, focus is too heavily placed on maximising the BCR, rather than optimising it given affordability criteria. If figures become public, the supply chain may anchor bids against them, undermining value for money.
20. **Net Present Value (NPV)** should be used as a complementary metric to BCR, especially for transformational projects where future benefits are harder to quantify but potentially significant.
21. It is encouraging that there is now a stronger desire to **respect the full breadth of the Five Case Model**, rather than treating the economic case as dominant. HM Treasury and other decision-makers need to work collaboratively with project leads to understand what drives value for money and to support projects where the strategic case is strong, even if the BCR is low. **Ministers should be prepared to champion such projects.**
22. Currently, there is a tendency for promoters to add arbitrary benefits to inflate a BCR, rather than focusing on what is genuinely transformative. This points to the need for a cultural shift towards accepting decisions based on mission-led or policy-based objectives, where appropriate, rather than over-reliance on a single ratio. **Improved scrutiny at the front end of project development would also reduce dependence on BCRs.**
23. **The principle of proportionality must be applied consistently.** The level of evidence and justification required should depend on the scale and type of project. Smaller projects should not face the same evidential burden as larger, more expensive programmes.

KEY POINTS:

- **Clarify that BCR is one input, not a pass/fail threshold** — appraisal should consider strategic fit, social value, and long-term impact alongside economic efficiency.
- **Encourage use of Net Present Value (NPV)** as a complementary metric to BCR, especially for transformational projects where future benefits are harder to quantify but potentially significant.
- **Introduce weighted appraisal frameworks** that explicitly account for environmental, social, and transformational benefits, moving beyond purely commercial/economic criteria in line with government priorities.

- **Promote qualitative evidence and strategic reasoning** as valid and valuable inputs to appraisal with guidance and examples to help practitioners present compelling non-quantifiable benefits.
- **Apply proportionality in evidence requirements**, ensuring smaller or lower-cost projects are not overburdened with the same level of justification as major programmes.
- **Support cultural change in decision-making**, encouraging ministers and reviewers to champion projects with strong strategic cases even where BCRs are modest, especially when aligned with national missions.

ACTION 4: HM Treasury will radically simplify and shorten the Green Book and the accompanying business case guides, publishing an updated Green Book at the start of 2026. HM Treasury will make clear the level of detail that is proportionate for business cases of different levels of cost and complexity and will publish examples of core appraisal techniques.

24. There will inevitably be nervousness that simplifying and shortening the guidance risks omitting important material. However, the current Green Book is overly long and complex, which often leads to inconsistent interpretation by users. **The guidance should return to first principles, offering clear purpose and structure.** It is recommended that it clearly separates mandatory requirements from optional guidance. When applicability is unclear, users tend to treat everything as mandatory, which unnecessarily extends timelines. The Green Book was never intended to address every issue, and acknowledging its limitations will ultimately enhance its effectiveness.
25. **AI-based tools could play a role in simplifying the Green Book** and supporting users, potentially even in the form of an interactive “Green Book Bot.”
26. Another key issue is the lack of common valuation metrics across sectors. Transport is well served, but in many other areas there are gaps. **Consolidating the valuation metrics used across government into a single, accessible resource would be hugely valuable.**
27. The examples currently included in guidance are heavily focused on rail, which can be confusing or irrelevant to those working in very different contexts. If each sector develops its own metrics in isolation, the system risks becoming incoherent, with organisations attempting to tick every possible box. Supplementary guidance has a role to play where there are specific issues, but the overall framework must be well-organised and streamlined.
28. Capacity is also a serious challenge. Large departments and major project promoters can draw on teams of consultants and economists to navigate complex guidance, but many local authorities cannot. As a result, **councils and smaller organisations often struggle to get past the first hurdle of building a credible business case.**
29. The separate Project and Programme Business Case Guidance documents are more or less the same. A good efficiency saving would be to withdraw the Programme Guidance and create a shorter appendix for where Programme cases are different (e.g., tranches

running at different timelines, multiple design and contracting stages, more need for integration and contractor / team interface management).

KEY POINTS:

- **Radically simplify and shorten the Green Book**, returning to first principles and clearly distinguishing mandatory requirements from optional guidance to reduce confusion and streamline decision-making.
- **Apply proportionality consistently**, setting clear expectations for the level of detail required based on project size and complexity.
- **Publish sector-relevant examples and core appraisal techniques**, moving beyond rail-centric illustrations to support diverse contexts and reduce reliance on consultants.
- **Explore the use of AI tools** (e.g. a “Green Book Bot”) to guide users interactively through appraisal processes, improving accessibility and reducing barriers for smaller organisations.
- **Consolidate valuation metrics across sectors** into a single, accessible resource to ensure coherence and consistency in appraisal, especially in under-served areas beyond transport.
- **Support capacity-building for local authorities and smaller bodies**, recognising that complexity in current guidance disproportionately affects those with limited resources.

ACTION 5: HM Treasury and the Welsh Government will reform the Better Business Cases training programme. The NWF is expanding its role to provide early-stage development support to local and regional government. HM Treasury will support MHCLG and other 9 departments to establish more secondments between central and regional government.

30. Many local authorities lack the scale or frequency of engagement to justify building permanent in-house economic appraisal teams. For these authorities, **a transient pool of specialists that could move around to provide targeted support with business cases would be highly valuable.**
31. To help already stretched teams, there must also be **greater clarity on the distinction between requirements and guidance.** Currently, guidance is often treated as mandatory because the difference is not clearly communicated. This places an unnecessary burden on smaller authorities.
32. When private investors are involved on projects, they make sure to understand a project before committing capital, since they will not take on risks that are unclear or poorly defined. While the cost of capital may be higher than for the public sector, private finance often adds value by driving rigour in project definition and by reducing the risk of projects being constantly re-scoped once underway.
33. On the **Better Business Cases training programme** itself, which has been in place for around a decade, feedback was mixed. Some recognise it as a **good introductory tool**, particularly for junior colleagues, but **not a substitute for hands-on experience in**

central government. For more senior colleagues, the practitioner level course is viewed as less impactful in terms of added knowledge. **Strengthening opportunities for secondments into central government teams** would be more beneficial for building capability and confidence. **Awareness of the programme also remains limited** - One participant of the TIF roundtable that consulted on this paper reported having worked at BEIS for years without ever being made aware that the training was available.

KEY POINTS:

- **Clarify the distinction between requirements and guidance** in business case development to reduce unnecessary burden on stretched local teams and improve confidence in compliance.
- **Identify and deploy a transient pool of appraisal specialists** to provide targeted, on-demand support to local and regional authorities, especially those without capacity for permanent in-house teams.
- **Reform the Better Business Cases training programme** to better serve both junior and senior staff, with clearer pathways to hands-on experience and stronger links to central government practice with case studies and worked examples
- **Expand secondment opportunities** between central and regional government to build mutual understanding, improve capability, and embed practical appraisal skills.
- **Improve awareness and accessibility of training**, ensuring all relevant teams — including those in departments and local authorities — know what's available and how to access it.
- **Recognise the value of private sector discipline** in project definition and risk management, and explore how similar rigour can be embedded in public sector appraisal processes.

ACTION 6: The government will publish business cases for major projects and programmes. This will ensure transparency of decision making, including the geographical distribution of projects, and help to support local and regional government by demonstrating best practice.

34. There are risks with publishing full business cases. As Tony Blair reflected in relation to Freedom of Information, complete transparency can create unintended consequences, with every decision subjected to repeated challenges from interest groups. If the government were to release all business cases in full, there is **a danger of producing parallel sets of documents**, one for internal use and another version for publication, creating additional bureaucracy without necessarily adding value.
35. To address concerns about releasing cost information within business cases which might compromise the outcome of commercial tenders and negotiations, a parallel can be drawn with the publication of contracts by public authorities, where the **sensitive numbers are redacted**.

36. What would also be useful is the **publication of worked examples of good practice**. This could highlight what strong practice looks like, and where common weaknesses occur, across the different elements of a business case.
37. There is also a **risk that publishing full business cases leads to copy-and-paste replication**, with organisations reproducing successful documents rather than focusing on the underlying principles.

KEY POINTS:

- **Publish worked examples of good practice** across all elements of the business case — economic, commercial, strategic — using anonymised versions to avoid sensitive disclosures while maximising learning.
- **Redact sensitive cost and revenue data** in published business cases to protect commercial interests and avoid compromising procurement outcomes.
- **Avoid publishing full business cases as default**, which may lead to excessive bureaucracy or copy-and-paste replication — instead focus on curated, digestible insights that highlight what good looks like.
- **Use lessons learned to highlight actionable insights**, not just generic “do’s and don’ts” — with clear illustrations of common pitfalls and how they were addressed.
- **Ensure transparency supports capability**, especially for local and regional government, by showcasing geographically diverse examples and demystifying complex appraisal processes.