



**Institute of
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THE DIFFERENCE BETWEEN PERMISSION TO BUILD AND AUTHORITY TO OPERATE

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Outcome Assurance is required as a governing layer to protect outcome accountability beyond project delivery.

Most public projects receive permission to build long before they receive authority to operate. In Outcome Assurance terms, these are two distinct governing decisions. They are often treated as interchangeable. They are not. Conflating them creates outcome risk that cannot be corrected downstream.

Permission to build is an authorization to proceed with delivery activities. It is typically granted by sponsors or approving bodies based on proposed scope, designs, forecasts, and funding approvals. Within Outcome Assurance, this decision authorizes effort and expenditure. It does not authorize outcomes.

Authority to operate is a governing authorization over the outcome itself. It is the decision to place an asset, system, or service into live operation and accept the real-world consequences of use. This authority must be exercised by an explicitly defined Outcome Authority and must be supported by evidence that the intended outcome is ready, integrated, and sustainable.

These two authorities exist at different points in the lifecycle and serve different purposes. Permission to build is predictive. It is based on intent and expectation. Authority to operate is evidentiary. It is based on demonstrated performance under representative conditions. One approves a plan. The other accepts risk on behalf of the public.

Many project governance frameworks fail not because delivery is poorly managed, but because Outcome Authority is never made explicit. Once permission to build is granted, delivery momentum dominates decision-making. Construction progress and contractual milestones become substitutes for outcome readiness. By the time operation approaches, there is often no formal authority empowered to withhold or delay operation, even when evidence gaps are visible.

This is not a project management failure. It is an Outcome Assurance failure.

Outcome Assurance exists to define and protect this distinction. It establishes governing stage-gates where outcomes - not activities - are authorized. Authority to operate is one of those gates. It requires predefined readiness criteria, defined evidence, and a named authority accountable for the decision.

Public owners and regulators already apply this logic in other regulated domains. A vehicle may be approved for manufacture, but it cannot be operated on public roads without certification. A facility may be constructed, but it cannot provide services without licensing. In each case, authority to operate is deliberately withheld until outcome evidence is reviewed and accepted by an independent authority.

Projects are often treated as an exception. Assets are placed into service based on construction completion, commercial turnover, or schedule pressure. The outcome is assumed rather than authorized. At that moment, Outcome Authority is replaced by momentum.

When authority to operate is implicit, predictable consequences follow. Known deficiencies are deferred into operations. Temporary measures become permanent risk controls. Operators inherit outcome risk they did not authorize and cannot fully mitigate. When failures emerge, accountability fragments because no single authority formally accepted the outcome.

Outcome Assurance does not add bureaucracy. It restores governance. It makes explicit what is already relied upon but rarely defined: that someone must decide when an outcome is ready to operate, and that decision must be grounded in evidence.

Separating permission to build from authority to operate does not slow delivery. It protects public interest by ensuring that outcomes are authorized deliberately, not assumed by default. Authority to operate is not a project milestone. It is a governing decision, exercised by an Outcome Authority, supported by Outcome Assurance.

Public confidence depends not on how quickly assets are built, but on how responsibly outcomes are placed into service. That responsibility cannot be delegated to schedules, contracts, or delivery teams. It must be exercised through explicit Outcome Authority, enabled by Outcome Assurance.