



Infrastructure
and Projects
Authority

Guidance for Departments and review teams

Assurance of Benefits Realisation in Major Projects

Supplementary guidance

v2

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Executive summary

The most important element of a successful project¹ is that it delivers its intended outcomes. While minimising cost and delivery time are essential goals of project delivery, no project which fails to deliver what is planned of it can ever be considered a success, no matter how cheap or fast. Unfortunately, realising outcomes in the form of benefits is often a low priority for project teams: benefits are typically realised late in a project's life cycle, the circumstances in which they are delivered tend to evolve with time, and the responsibilities for delivery can often sit outside the project team, even occasionally entirely outside a department. Given these factors, it is perhaps to be expected that many departments and project teams strive, but struggle, to improve their approach to benefits realisation.

At the same time, benefits management is one of the few elements of project delivery which truly spans the whole lifecycle of a project, from conception to evaluation post-delivery. As benefits form a common thread throughout all stages of project delivery, good benefits management starts early and evolves as the project matures. The assurance review process, providing independent assessments for project teams at key stages in a project's life cycle, is therefore well positioned to help project teams develop their approach to benefits management from start to finish.

This document provides additional guidance on benefits management for the assurance review process. It is designed to help reviewers give deeper scrutiny to the benefits realisation approaches of different projects, and give greater clarity and guidance to project teams on good practices in benefits management.

Notes

- In this document “project” is used as a collective term to describe both projects and programmes², in order to encapsulate the diversity of PPM related activities undertaken by departments, many of which do not fit naturally within the traditional project/programme distinction. The additional guidance presented here should be applicable to the corresponding review stage, whether it is being used to support a project or a programme.
- Where sections of a business case are expected as evidence to a review team, it is assumed that the business case has been created in accordance with an

¹ See Notes below

² Within traditional project management practice, projects deliver outputs/products while programmes combine the outputs / products delivered by these projects to deliver a desired outcome in BAU (which then enables the delivery of benefits)



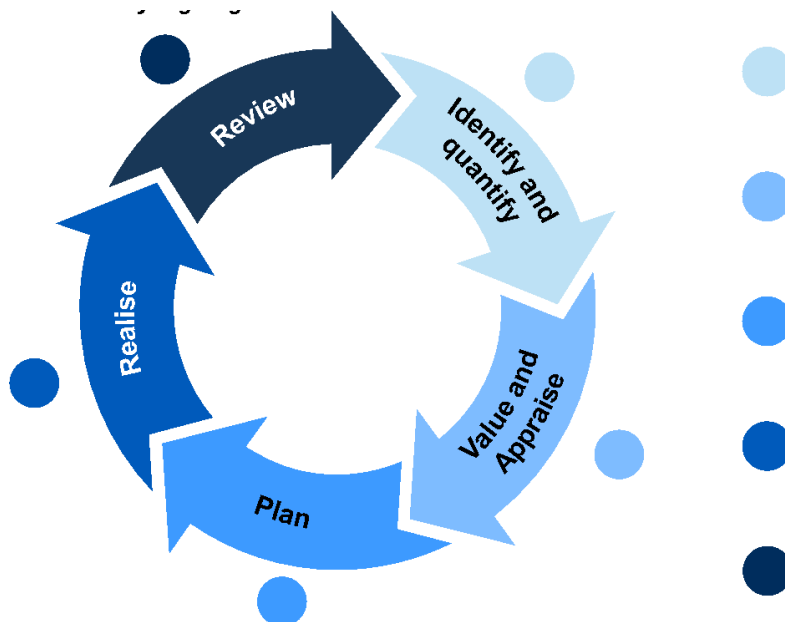
approved departmental methodology. Where useful, this has been illustrated by reference to the “5-Case Model”, as recommended by HM Treasury.

- This document contains guidance on best practice on benefits management in projects, for every stage of a project’s life cycle. While it is designed to form an integrated process across a project’s life, each section stands alone and can be used individually. It is intended to be used in conjunction with established project assurance processes.

Introduction

Benefits management evolves as a project does: what is expected at Gate 5 is very different to that expected at Gate 1. It is therefore essential to articulate the different stages of a best-in-class benefits realisation process, and indicate the expected maturity of each stage, at different points in the project lifecycle.

Best practice benefits management process spans five different interrelated stages³: identification, valuation, planning, realisation and review. All five of these stages should be pursued concurrently, but the level of expected maturity differs at different points in a project’s life: an early stage project should be beginning to identify the expected benefits, but can’t be expected to review performance yet. However, the results of pilots or early-stage studies may require review of the approach before the project has gone live, and feed into a new process of identification.



³ Adapted from APMG’s suggested approach in “Managing Benefits” by Steve Jenner, 2012. This differs subtly from AXELOS’ “Managing Successful Programmes” which gives a four stage process: Identify, Plan, Deliver and Review. (I.e. does not include the “Value and Appraise” stage).



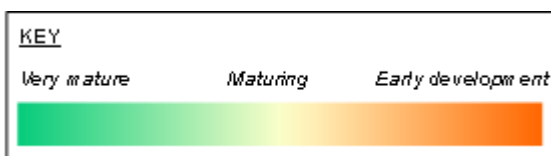
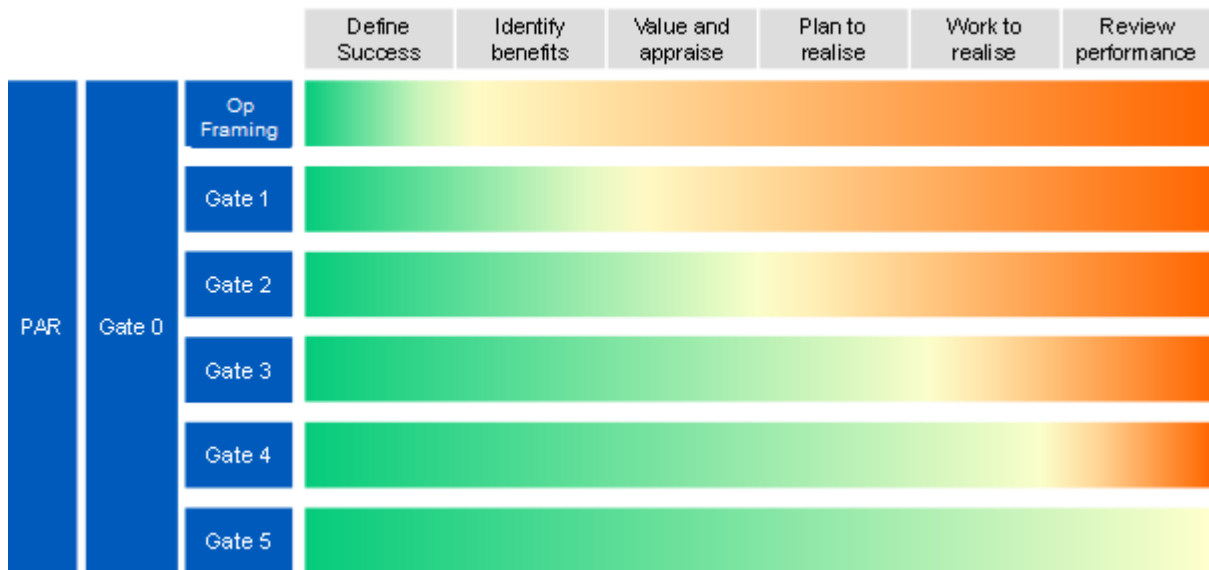
Each of the five gates of the assurance review process link closely to a different stage in best-practice benefits management. At the same time, Opportunity Framing Gate 0s and Project Assessment Reviews (PARs) – which can occur at different stages of a project’s life, or before it formally begins – can be linked to benefits management through their defined purposes. To make things clear, each stage of the assurance process has been given a “slogan” which articulates the important aspects of benefits management for that stage.

Review stage	Benefits slogan	Description
Opportunity Framing	“Define Success”	At this early stage in a project’s life, the key thing is to try to articulate the strategic objective of the project and its link to wider organisational objectives. What is it trying to achieve? How should we define this? How would we know we’ve achieved it?
Gate 1 (Business Justification)	“Identify benefits”	By the time of the Strategic Outline Case, a “long list” of benefits should have been identified, linked to the strategic objective of the project. These should be categorised according to the recipient stakeholder, and prioritised.
Gate 2 (Delivery Strategy)	“Value and appraise”	For an Outline Business Case a selection of the most important benefits identified will need to be valued, to ensure the project is justified on economic grounds. This should be in accordance with Green Book guidance and link to any related Impact Assessment.
Gate 3 (Investment Decision)	“Plan to realise”	By the time of a Full Business Case, a plan for realisation needs to be in place. This should include selecting which benefits the project team will concentrate on realising; allocating responsibility for delivering each benefit; and determining the best mechanisms / metrics for tracking progress. These metrics may be the same as the economic estimates as part of the appraisal, but very commonly might be different.
Gate 4 (Readiness for Delivery)	“Work to realise”	As the project transitions into “business-as-usual”, concrete plans need to be in place to ensure the benefits from the project are delivered. What changes in operations need to be undertaken to ensure the benefits are realised as fully as possible? Who is responsible? How do we transition responsibility from the project team to BAU?
Gate 5 (Operation Review and	“Review performance”	By this stage the project needs to know how they have performed relative to the original and updated business cases. Having followed the guidance for gates 1 – 4 this should be straightforward. The further key things to



Benefits Realisation)		ensure are that benefits are well embedded within common business processes and lessons learnt have been captured.
Gate 0 (Strategic Assessment)	“Link benefits to strategy”	Gate 0 is the programme level review, and as such can incorporate elements of all of the other gates. The key thing is to ensure that the benefits from the project are linked to programme and departmental wide strategies.
PAR	“Check for appropriate maturity”	PARs are deep-dives into a specific project issue. For this reason, benefits realisation may not be relevant to the specific PAR. However, often, immature approaches to benefits realisation are one of the underlying causes of the issue the PAR is investigating

Although the slogan captures where the project ought to be on its benefits management, it has to be noted that it is assumed to build on the previous stage: no project should be attempting to write a realisation plan without having defined success, identified benefits and appraised them. An indicative view of the expected maturity for each stage at each point in the assurance review process can be seen below.



The rest of this document outlines the specific documentation which should be provided and questions which should be asked of project teams to assess their benefits maturity at each



stage of the assurance review process. They are designed to fit on a single double sided piece of paper, to be of easy reference.

The sections below provide some basic guidance on some of the expected documents from project teams. For a more detailed understanding, specialist help should be sought, either from departmental portfolio teams, or the Infrastructure and Projects Authority.

Opportunity Framing

Benefits slogan: “Define success”

Description: At this early stage in a project’s life, the key thing is to try to articulate the strategic objective of the project. What is it trying to achieve? How should we define this? How would we know we’ve achieved it?

Key question: “are the strategic objectives of the project well defined and understood?”

Documents required (for benefits):

- Senior Responsible Owner (SRO) Presentation
- (Any related project documents evidencing progress on defining strategic objectives)

Areas to probe	Evidence expected
Are the project’s strategic objectives clear?	<ul style="list-style-type: none"> ● Project documentation outlining the objectives of the project (e.g. in the “high level” presentation by the SRO as part of PVR planning) ● Senior level departmental sign off on the project objectives (e.g. programme board / minister)
Do the objectives align with those of the department / HMG?	<ul style="list-style-type: none"> ● Evidence of linking the strategic objectives of the project to those of the department, or HMG more broadly
Have the objectives been prioritised?	<ul style="list-style-type: none"> ● Consideration of where different objectives may be conflicting ● Articulation of what the principle objective is



Have means of proving “success” against these objectives been considered?	<ul style="list-style-type: none"> ● Consideration of what measurable outcomes (“benefits”) would prove successful completion of the strategic objective
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Gate 1

Benefits slogan: “Identify benefits”

Description: By the time of the Strategic Outline Case, a “long list” of benefits should have been identified, linked to the strategic objective of the project. These should be categorised according to the recipient stakeholder, and prioritised.

Key question: “have the expected benefits from the project been identified?”

Documents required (for benefits):

- Strategic Outline Case including:
 - Clear definition of strategic objectives of the project (e.g. in Strategic Case)
- Comprehensive list of project benefits including categorisation and prioritisation
- Benefits Map

Areas to probe	Evidence expected
Are the strategic objectives of the project still clear and aligned?	<ul style="list-style-type: none"> ● Definition of the strategic objectives from the project in the Strategic Case (of the Strategic Outline Case (SOC)) ● Link from strategic objectives to those of the department / HMG
Have the expected benefits from the project been identified?	<ul style="list-style-type: none"> ● Comprehensive list of expected benefits arising from the project ● Evidence of working the benefits dependency mapping exercise in both directions to derive the list – both from the strategic objective back, and the proposed solution forward – to ensure all benefits have been captured



	<ul style="list-style-type: none">• Stakeholders have been engaged appropriately to identify and agree benefits
Have the benefits been categorised?	<ul style="list-style-type: none">• Evidence that benefits have been categorised (at least at the level of benefits recipient – see appendix – but more detailed departmental level categorisations may be appropriate)
Do the benefits link to the project’s strategic objective?	<ul style="list-style-type: none">• Benefits map linking benefits to the strategic objective of the project• Articulation of how the end benefits would prove the project has been successful
Does the scope of the project reflect expected benefits?	<ul style="list-style-type: none">• Benefits map linking the project outputs to the end benefits of the project (via “intermediate benefits” if necessary)• Articulation of what changes will need to be undertaken by the organisation or external bodies, in order to ensure the benefits are realised from the project outputs• Evidence of engagement with stakeholders to deliver these changes
Are the benefits clearly prioritised?	<ul style="list-style-type: none">• Comprehensive list of benefits in priority order• Description of why benefits have been prioritised in this manner• Rationale for which subset of benefits are actually going to be pursued during delivery• Demonstration of the organisational capability to realise this subset of benefits (both in terms of people and process)• Evidence that lessons from previous projects have been considered, where relevant



Have potential disbenefits been considered?	<ul style="list-style-type: none"> ● Consideration of negative impacts expected to arise as a result of delivering the project ● Categorisation of disbenefits according to the recipient ● Evidence of possible mitigating actions required to alleviate the effect
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Gate 2

Benefits slogan: “Value and appraise”

Description: For an Outline Business Case a selection of the most important benefits identified will need to be valued, to ensure the project is justified on economic grounds. This should be in accordance with Green Book guidance. Those benefits which are cash releasing also need to be considered as part of a financial case.

Key question: “have the right project benefits been prioritised and have they been valued accurately?”

Documents required (for benefits):

- Outline Business Case including:
 - Clear definition of strategic objectives of the project (e.g. in Strategic Case)
 - Economic valuation of benefits (e.g. in Economic Case)
 - Financial valuation of benefits (e.g. in Financial Case)
- Benefits Map
- Risk register (including risks to realised benefits)
- Requirement specification

Areas to probe	Evidence expected
Are the strategic objectives of the project still clear?	<ul style="list-style-type: none"> ● Definition of the strategic objectives from the project in the Strategic Case ● Benefits map linking the project benefits to the strategic objectives



Is the scope of the project sufficient to deliver expected benefits?	<ul style="list-style-type: none">• Total scope, including timescales, documented and agreed with stakeholders (including end-users or their representatives) and technical authorities• Benefits map linking project output to expected benefits
Have the benefits been adequately valued in the business case?	<ul style="list-style-type: none">• Evidence of a rigorous assessment and modelling of benefits to forecast expected magnitude (in accordance with Green Book guidelines)• Clear articulation of where valuation of benefits will be realised financially or not• Consideration of competing options and selection of options based on net economic contribution
Have appropriate baselines for assessing performance been identified?	<ul style="list-style-type: none">• Evidence of forecasts of “Do-nothing” and “Do-minimal” options in the modelling• Consideration of which is the most appropriate to use as a baseline against which to assess future performance• Articulation of what current data, new data, and assumptions are required to give an accurate estimation of this baseline in future• Description of how new data will be measured, and over what timeframe, in order to establish baseline performance
Have the priority benefits to be realised been identified?	<ul style="list-style-type: none">• Evidence of which of the benefits are the priority for realisation• Demonstration of the organisational capability to realise this subset of benefits
Are the project benefits accurately reflected in the requirement specification?	<ul style="list-style-type: none">• Depending on the nature of the delivery, an appropriate form of requirement specification reviewed and endorsed by stakeholders



	<ul style="list-style-type: none">• Appropriate mechanism to articulate the requirement to potential suppliers, quality assured to ensure that suppliers will understand what is wanted
Is there an appropriate governance structure for benefits management going forward?	<ul style="list-style-type: none">• An appropriate governance model for continued oversight and monitoring of benefits realised (for both during and after Project Close date)• Evidence of senior level commitment to benefits realisation
Have potential disbenefits been considered?	<ul style="list-style-type: none">• Consideration of negative impacts expected to arise as a result of delivering the project• Valuation of disbenefits, in the same manner as benefits• Value of disbenefits deducted from economic NPV and financial case where relevant• Evidence of possible mitigating actions required to alleviate the effect

Gate 3

Benefits slogan: “Plan to realise”

Description: By the time of a Full Business Case, a plan for realisation needs to be in place. This should include selecting which benefits the project team will concentrate on realising; allocating responsibility for delivering each benefit; and determining the best metric for tracking progress. These metrics may be the same as the economic estimates as part of the appraisal, but very commonly might be different.

Key question: “is a robust plan to realise the benefits in place?”

Documents required (for benefits):

- Full Business Case including:
 - Clear definition of strategic objectives of the project (e.g. in Strategic Case)



- Full economic valuation of benefits (e.g. in Economic Case)
 - Full financial valuation of benefits (e.g. in Financial Case)
 - Planned mechanisms and metrics for future monitoring of benefits outturn (e.g. in Management Case)
 - Assigned responsibilities for future monitoring of benefits (e.g. in Management Case)
- Benefits map
 - Risk register (including risks to realised benefits)
 - Relevant sections of performance management plans in contracts

Areas to probe	Evidence expected
Are the strategic objectives of the project still clear and linked to the expected benefits?	<ul style="list-style-type: none"> ● Definition of the strategic objectives of the project in the Strategic Case ● Benefits map linking the project benefits to the strategic objectives
Does the Business Case adequately reflect the benefits? (now that the relevant information has been confirmed from potential suppliers/delivery partners)	<ul style="list-style-type: none"> ● Evidence of a rigorous assessment and modelling of benefits to support the contract and decision (in accordance with Green Book guidelines) ● Inclusion of both benefits and disbenefits ● Consideration of competing options and selection of options based on net economic contribution
Have the priority benefits to be realised been identified?	<ul style="list-style-type: none"> ● Evidence of which of the benefits are the priority for realisation ● Demonstration of the organisational capability to realise this subset of benefits (in terms of both people and processes)
Has the impact of the proposed solution on benefits been assessed?	<ul style="list-style-type: none"> ● Analysis of difference to forecast benefits between OBC and FBC ● Articulation of how proposed solution has contributed to this change



	<ul style="list-style-type: none">• Benefits map outlining the required changes in business practice, or behavioural change in wider society, required to deliver the benefits from the project outputs• Changes documented and agreed with stakeholders
Have appropriate metrics and KPIs for tracking benefits during delivery been chosen?	<ul style="list-style-type: none">• Description of planned metric, method of measurement and baseline for each benefit• Evidence that metrics selected can be measured and give as unambiguous as possible assessment of current performance. This should include:<ul style="list-style-type: none">- consideration of all inter-related metrics (e.g. by using driver trees)- to the extent possible, avoiding the use of any assumptions in the chosen metric (e.g. not using economic multipliers to monetise non-financial benefits; not netting off any baselines)- where no perfect metric exists, proxy measures should be used, with justification• Measures, KPIs and baseline agreed with provider and partners / delivery agencies, along with method for measurement
Are the measures embedded in any contract performance plan?	<ul style="list-style-type: none">• Details of information provided by supplier / delivery partner as outlined by any contract• Defined roles and responsibilities for contract management with respect to benefits performance



Is there clear allocation and understanding of responsibilities between all parties for benefits realisation?	<ul style="list-style-type: none">• Defined client and supplier organisation, responsibilities for benefits defined• If a prime supplier, details of how they will manage their supply chain to manage benefits delivery• If multiple suppliers, process for the department to manage the interfaces• Evidence of senior level commitment to benefits realisation• An appropriate governance model for continued oversight and monitoring of benefits realised• A plan for post implementation reviews, including specified review points
Have the risks to realisation been identified?	<ul style="list-style-type: none">• Risk register including risks to magnitude of benefits realised, along with estimated severity to the benefits case and mitigating actions

Gate 4

Benefits slogan: “Work to realise”

Description: As the project transitions into “business-as-usual” (BAU), concrete plans need to be in place to ensure the benefits from the project are delivered. What changes in operations, or behavioural changes in wider society, need to be undertaken to ensure the benefits are realised as fully as possible? Who is responsible? How do we transition responsibility from the project team to BAU?

Key question: “are the correct processes in place to ensure benefits continue to be realised after the project transitions into business as usual?”

Documents required (for benefits):

- Most up-to-date approved business case
- Risk register (including risks to realised benefits)
- Minutes of board meetings relating to benefits realisation
- Benefits tracking tool (e.g. spreadsheet with actual benefits realised to date)



- List of benefits owners
- Wider organisational performance management framework

Areas to probe	Evidence expected
Are the anticipated business benefits on track to be realised?	<ul style="list-style-type: none"> ● Up-to-date Business Case with project board endorsement ● Up-to-date benefits register ● Evidence of benefits realised to date (if any)
Is there a clear understanding of the roles and responsibilities for benefits realisation beyond delivery of the project?	<ul style="list-style-type: none"> ● Clear ownership of benefits at both a board and operational level ● An appropriate governance model for continued oversight and monitoring of benefits realised ● Evidence of senior level commitment to benefits realisation
Is the approach to benefits management sound and robust?	<ul style="list-style-type: none"> ● Appropriate measures and KPIs for individual benefits ● Appropriate baselines for assessing benefit outturn against historical performance ● Measures, KPIs and baseline agreed with provider and partners ● For collaborative projects, all parties understand and agree their responsibilities and arrangements for benefits realisation ● Evidence of how the data is to be used to inform project decision making ● A plan for post implementation reviews, including specified review points
Is the approach to benefits management integrated within wider performance management across the organisation?	<ul style="list-style-type: none"> ● Responsibilities for performance management are defined and understood by the organisation and where appropriate, the supplier ● Defined and agreed KPIs to manage operational performance ● Integration of benefits realisation into business planning ● Non-financial benefits aligned to relevant strategic objectives and priorities
Where financial benefits are being claimed, is it clear how they will be realised?	<ul style="list-style-type: none"> ● Clear understanding amongst benefit owners on the impact of financial benefits on operational forecasting/budgeting



	<ul style="list-style-type: none"> • Appropriate commitment from benefit owners to ensure that cash releasing benefits will actually be released from the organisation
Are disbenefits being adequately monitored?	<ul style="list-style-type: none"> • Is there a monitoring regime in place for disbenefits? • Have these been prioritised?

Gate 5

Benefits slogan: “Review performance”

Description: By this stage the project needs to know how they have performed relative to the original and most up-to-date business cases. Having followed the guidance for gates 1 – 4 should make this straightforward. The further key things to ensure are that benefits are well embedded within common business processes and lessons learnt have been captured.

Key question: “Has the project achieved its planned objectives?”

Documents required (for benefits):

- Most up-to-date approved business case
- Risk register (including risks to realised benefits)
- Minutes of board meetings relating to benefits realisation
- Benefits tracking tool
- List of benefits owners
- Post-implementation performance reviews
- Wider organisational performance management framework

Areas to probe	Evidence expected
Are the anticipated business benefits being realised?	<ul style="list-style-type: none"> • Findings from the Post Implementation Review or relevant benefits review being actioned • Benefits register with forecast maintained and compared with Business Case



	<ul style="list-style-type: none"> • Corrective action plans to address any benefits that have not realised on schedule • Forecast future benefits
Have any unanticipated benefits been identified?	<ul style="list-style-type: none"> • Review of performance to identify unanticipated benefits • List of unanticipated benefits identified • Plan for continued realisation and monitoring of these benefits
What has been the magnitude of disbenefits?	<ul style="list-style-type: none"> • Findings from the Post Implementation Review or relevant benefits review being actioned • Register of disbenefits maintained and compared to business case • The net benefits position after consideration of disbenefits
Is the approach to benefits management integrated within wider performance management across the organisation?	<ul style="list-style-type: none"> • Responsibilities for performance management are defined and understood by the organisation and where appropriate, the supplier • Defined and agreed KPIs to manage operational performance • Integration of benefits realisation into business planning • Non-financial benefits aligned to relevant strategic objectives and priorities
Is the organisation setting realistic performance targets for continuous improvement from this service? (When relevant)	<ul style="list-style-type: none"> • Understanding and use of relevant established business improvement techniques (e.g. Balanced Scorecard, Lean Six Sigma, etc.) • SMART targets defined for each benefit (Specific, Measurable, Agreed, Realistic and Timely)
Is there ongoing assessment on the effectiveness of benefits management?	<ul style="list-style-type: none"> • Evidence of lessons learned being applied • Formal regular review of the approach



	<ul style="list-style-type: none">• Evidence of corrective action taken where necessary• Regular capability assessments
Are the financial benefit targets aligned to operational forecasting/budgeting across the organisation?	<ul style="list-style-type: none">• Clear alignment of financial benefits to financial forecasting/budgeting across the organisation “single version of the truth”• Senior management commitment to the realisation of financial benefits• Clear distinction between the different types of financial benefits e.g. cash-releasing from the organisation or efficiency savings
Have any lessons learnt been captured?	<ul style="list-style-type: none">• Identification of where recommendation from Post Implementation Review relate to repeatable aspects of project performance• Capture of these lessons in appropriate system• Dissemination of findings among relevant PPM professionals within the department

Gate 0

Benefits slogan: “Link benefits to strategy”

Description: Gate 0 is the programme level review, and as such can incorporate elements of all of the other gates. The key thing is to ensure that the benefits from the project are linked to programme and departmental wide strategies.

Key question: “Are the project benefits contributing to the wider strategic objectives of the programme / department / HMG?”

Documents required (for benefits):

- Early stage
 - Project documentation relating to strategic objectives of the project
 - Benefits Map



- Mid stage
 - Most up-to-date business case including:
 - Benefits map
 - Programme board minutes
- Late stage
 - Most up-to-date business case including:
 - Benefits map
 - Programme board minutes
 - Evidence of embedding in existing business processes

Areas to probe	Evidence expected
Are the project's strategic objectives clear?	<p>Early stage</p> <ul style="list-style-type: none"> ● Project documentation outlining the objectives of the project ● Documentation outlining the policy intentions of the programme (e.g. policy statement, announcement, manifesto etc.) <p>Mid / Late stage</p> <ul style="list-style-type: none"> ● The Strategic Case of the latest business case outlining the strategic objectives of the project ● Documentation outlining the policy intentions of the programme (e.g. policy statement, announcement, manifesto etc.)
Do the project's strategic benefits link to that of the wider programme / department / HMG policy intentions?	<p>All stages</p> <ul style="list-style-type: none"> ● Explanation of how the objectives of the project link to any wider objectives
Have the expected benefits from the project been identified and linked to the strategic objectives?	<p>Early stage</p> <ul style="list-style-type: none"> ● Comprehensive list of project benefits, categorised and prioritised ● Benefits map linking benefits to strategic objectives



	<p>Mid / Late stage</p> <ul style="list-style-type: none">• The benefits identified for realisation in the latest business case• Benefits map linking benefits to strategic objectives
<p>Is there senior management commitment to deliver the programme benefits?</p>	<p>Early stage</p> <ul style="list-style-type: none">• Senior management approval of programme mandate <p>Mid / Late stage</p> <ul style="list-style-type: none">• Programme Board endorsement of benefits delivery• Senior management commitment to address issues surrounding benefits delivery• Periodic reporting of benefits realisation.• Change managers in place and Benefit owners identified (both internally and, where required within private sector partners)
<p>Is the approach to benefit management robust?</p>	<p>Mid stage</p> <ul style="list-style-type: none">• All stakeholders have been engaged sufficiently to develop the benefits plan• A benefits management strategy, and a plan that sets out expected benefits, how they are delivered and measured• Plans to identify appropriate baseline measures against which future performance will be assessed• Appropriate accountabilities and responsibilities have been allocated for the business transformation phase• Plans to carry out performance measurement against the defined measures and indicators



	<p>Late stage</p> <ul style="list-style-type: none"> • Benefits realisation planning is integrated into the overall programme planning • The organisation has the capacity and capability to deliver the benefits • Ongoing monitoring to assess realisation of benefits
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Project Assessment Review (PAR)

Benefits slogan: “Check for appropriate maturity”

Description: PARs are deep-dives into a specific project issue. For this reason benefits realisation may not be relevant to the specific PAR. However, often, immature approaches to benefits realisation are one of the underlying causes of the issue the PAR is investigating

Key question: “Is an inadequate maturity of understanding on either strategic objectives or benefits contributing to reduced performance on the project”

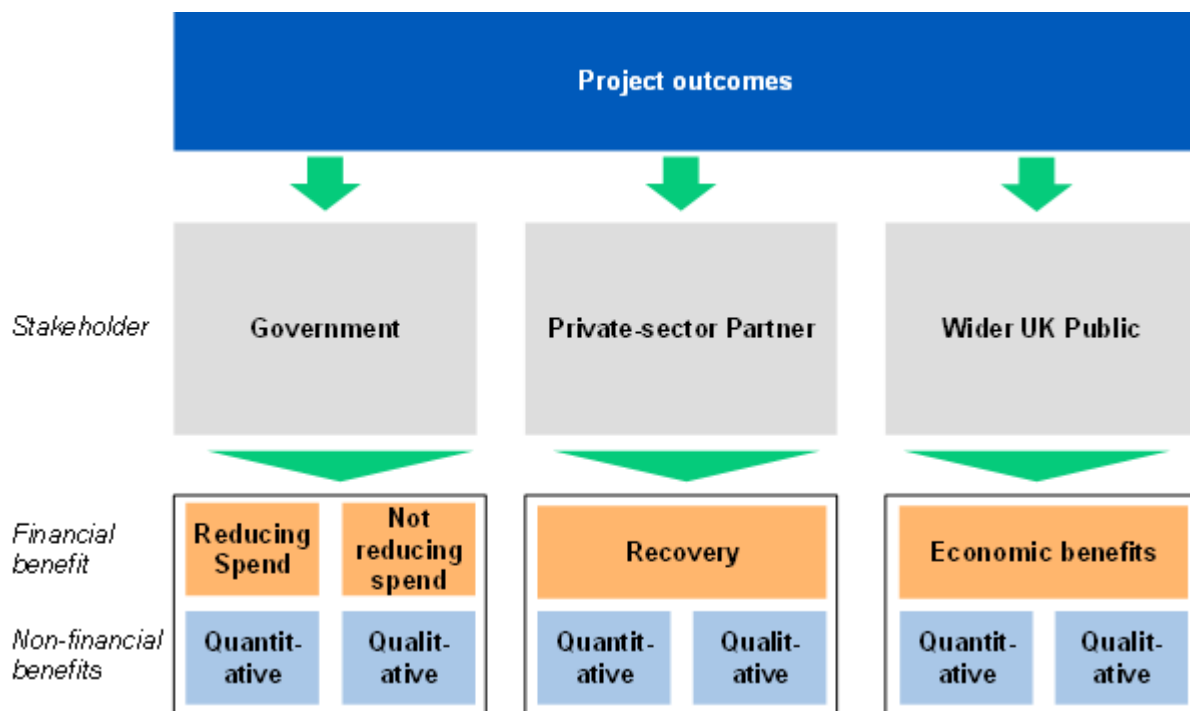
Documents required (for benefits): As required under the terms of the PAR

Areas to probe	Evidence expected
Is the benefits management approach sufficiently mature?	<ul style="list-style-type: none"> • Compliance with benefits review guidance at most recent Gateway stage
Are the strategic objectives of the project clear?	<ul style="list-style-type: none"> • The Strategic Case of the latest business case outlining the strategic objectives of the project
Is a lack of understanding of how to realise the project objectives contributing to further issues on the project?	<ul style="list-style-type: none"> • Explanation of how benefits management is influencing project decisions



Appendix A: Benefits Categorisation

At a high level the IPA requests that project benefits be categorised at the level of benefits recipient: government, private-sector partner or UK public. This applies to all types of benefits, whether financial, quantitative or qualitative. Many departments have a richer categorisation relevant to the specific projects typically undertaken by the department which should be used where possible, but this gives a minimal standard applicable across the entirety of the Government’s portfolio.



Financial benefits to Government – reducing spend

- A reduction in the cost of or increased revenue from public service, as a result of a successful delivery of a project
- Contributes to reducing the UK budget-deficit
- Includes both those outcomes which lead to a reduction in the level of public service (a “cut”) and those which do not (and “efficiency”)
- Can include savings in both DEL and AME, but these need to be accounted for differently

Financial benefits to Government – not reducing spend



- A financially quantifiable benefit which does not contribute to reducing the UK budget deficit
- Typically examples may include:
 - spend-reducing benefits being re-invested into other departmental activities
 - reducing the risk of future expenditure resulting in a reduction of held provision
 - increasing the value of government held (non-cash) assets

Financial benefits to private sector partners

- Recovery by a private partner from efficiencies delivered by the project
 - This should be contrasted with situations in which private partner recovery is obtained directly through payment by the Government
- Knowing the scale of this recovery is essential both to assess the outcome of the project, but also contributes to the Government's ability to act as an intelligent customer

Financial benefits to the wider UK public

- An increase in the economic performance for the UK generally as a result of the successful completion of the project
- Examples might include:
 - Infrastructure investments
 - Improving public health
- Measuring economic benefits effectively can be very hard, as they typically have the most external factors influencing their outcome
- Established methodologies for assessing economic outcomes for the wider UK public can be obtained from departmental economists, as well as HM Treasury, alongside other public economic bodies, such as the ONS, OBR or Bank of England

Non-financial – quantitative benefits

- Quantifiable project outcomes which are not financial in their nature
- Examples may include:
 - To government
 - Productivity improvements (doing more with the same)
 - Higher customer satisfaction ratings
 - Number of services digitised



- Private sector partners
 - Productivity improvements (doing more with the same)
 - Apprenticeships created
- To wider UK economy
 - Reduced number of traffic accidents
 - Reduced number of crimes
 - Increased cancer survival rate

Non-financial – qualitative benefits

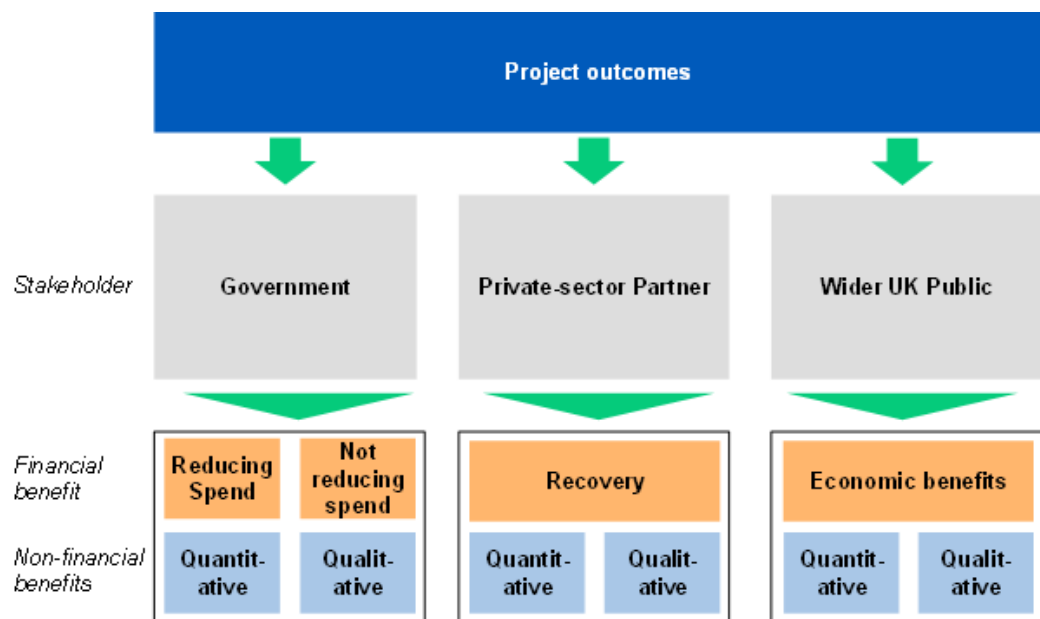
- Project outcomes which are best described qualitatively
- Examples may include:
 - To government
 - Higher levels of staff skill
 - Private sector partners
 - Prestige of helping to deliver the project successfully
 - Improved staff knowledge and skill sets
 - To wider UK economy
 - Improved national security
 - Higher standard of healthcare



Appendix B - Benefits Map

Getting Fitter example

Below is a sample benefits map/benefits dependency network, using a basic, 5-level structure (i.e. project output to Strategic objective). Benefits maps can be constructed/developed in several ways: many departments have their own standards, as do PPM methodologies like MSP, but most are refinements of this basic model. Project teams should feel free to adopt whatever the most appropriate technique is for their specific project, based on this basic structure.

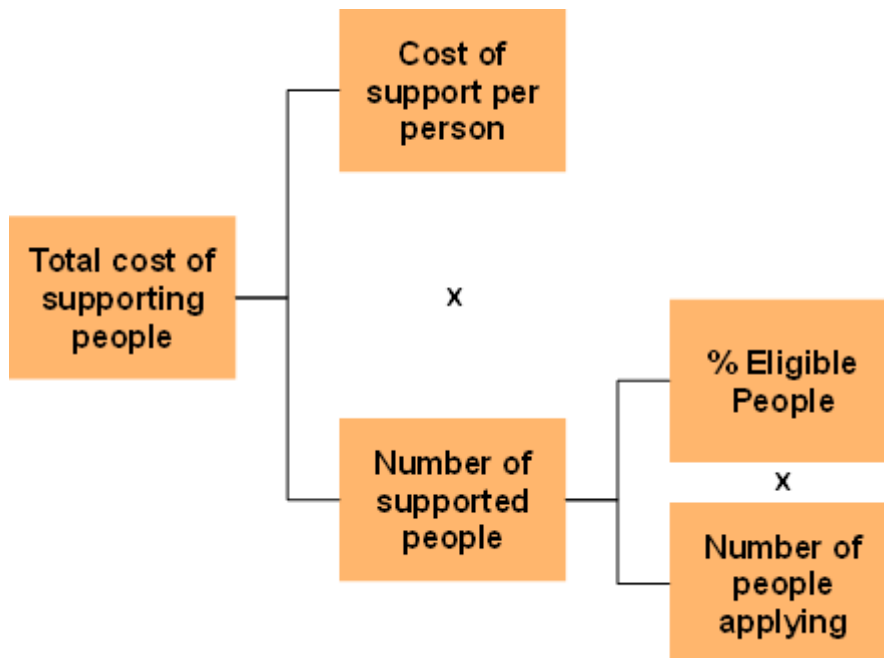




Appendix C: Driver Trees

Constructing driver trees is a useful technique to ensure all the salient information about a benefit or set of benefits is being captured. It involves breaking down a total figure into its constituent parts, and then breaking each of those down into their constituent parts, until we cannot go any further. This technique is useful to ensure everything influencing a benefit – whether in control of the project team or not – is being captured, and can be addressed accordingly. Below we give two example driver trees, a short, multiplicative one about the cost of providing support to eligible citizens, and a longer, additive one about capturing the full costs of project delivery.

“Cost of support” Driver Tree





“Project cost” Driver Tree

