



HM TREASURY



Office of Government Commerce

Managing risks with delivery partners

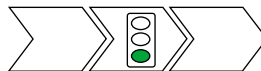
A guide for those working together to deliver better public services

“Good risk management is integral to delivering a successful partnership”

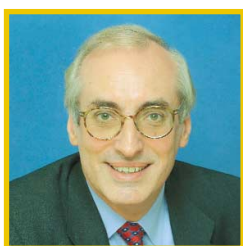


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Foreword



John Oughton

Chief Executive, Office of Government Commerce

Government is increasingly delivering services through partnerships with other public and private-sector organisations. Since its creation, OGC has sought to identify and spread the use of good practice in contracting and partnership working. It has become increasingly apparent that good risk management is at the heart of a successful partnership. This new guide draws extensively on the lessons learned in government departments, and the experience of the Treasury, National Audit Office and OGC. I hope it will help respond to the clear desire for improvement that is evident across government.



Sir David Omand

Permanent Secretary and Security and Intelligence Coordinator,
Cabinet Office, Chair of Risk Programme Steering Group

Improving government's capability to handle risk and uncertainty is important in the delivery of high-quality services and the development of effective policies. For the last two years we have been running a major programme of improvement in risk management across government, implementing the findings of the Cabinet Office Strategy Unit report. Launching this initiative, the Prime Minister said "Risk management – getting the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other – is now central to the business of good government." We rely more and more heavily on partner organisations to help implement change, deliver services and protect the public from threats. The Risk Programme has shown that this presents very significant risk-management challenges, and that departments recognise that this is a priority area for improvement. This guide gets to the heart of these challenges and offers practical advice on the way forward.

Introduction

1. Government services and projects are increasingly being delivered through partner organisations, and high risk/reward options are often being taken, in pursuit of maximum improvement. This puts a premium on successful risk management by central government and its partners. Government departments have highlighted this as a priority area for improvement.

2. This guide draws on the experience of the Office of Government Commerce (OGC), HM Treasury and the National Audit Office, highlighting key issues to address in managing risks with delivery partners. It also provides links to other guidance on working successfully with partners, both commercial and non-commercial.¹

3. The guide is primarily intended to help those in departments who are involved in:

- working directly with partner organisations (agreeing contracts or service level agreements, managing/monitoring performance or working together to deliver services)
- reviewing the range of partners with which the department works, the allocation of risks and the arrangements to manage those risks
- improving risk management more generally.

It may also be of interest to others in the delivery chain, whether as partners or suppliers.

Background

Partnering and risk management

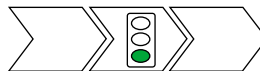
4. Effective partnership working has become an increasingly important issue. For example, the broad, outcome-based nature of Public Service Agreement (PSA) targets has emphasised the need to work in partnership with other organisations – PSAs very often cannot be delivered by one organisation alone. The increased focus on delivery has emphasised the need for effective relationships.

5. Good risk management is integral to delivering a successful partnership. The *second report to the Prime Minister on government's Risk Programme*, in December 2003, identified as a key priority the need to improve handling of risks with partners. Most departments rated this among their weakest areas of risk management.² Relevant factors include:

- delivering services through partners can bring significant benefits and help bring about successful innovation, but inevitably offers **less direct control** than delivering them alone. There are risks around failing to align agendas and communicating ineffectively. Partnerships can lead to a higher level of uncertainty (especially when working with new partners), and introduce different, and potentially unfamiliar, risks inherent in the partner's business
- **service delivery chains are often complex**, and are becoming more so – defining responsibilities for handling risks is a major challenge. And the diversity of different cultures in partnerships brings with it a need to understand diverse perspectives on risks and arrangements for managing them

¹ In particular, this guide does not attempt to replicate the extensive guidance on working with private-sector partners to deliver major projects, but does provide links to this material

² The public sector is not alone in this. In the private sector there is an increasing focus on the 'extended enterprise' – the increasing use of partnerships and alliances to create new benefits – which brings significant new risks and challenges. Private sector auditors and others recognise the huge challenge in providing assurance about risk management across extended enterprises



- contracting arrangements, including PFI and PPP, have traditionally emphasised an ‘**arms length**’ approach, to avoid confusing responsibilities between customer and contractor, to maintain a level playing field for competitors and to reduce the risk of impropriety. However, it has increasingly been recognised (e.g. in OGC’s *Effective Partnering* guide) that, despite these benefits, the approach can bring potential downsides, especially in long term partnerships. Problems experienced have included polarised perspectives on risks; difficulty in generating a sense of ownership of action to address risks; lack of clarity about what risks had been transferred, leading to unhelpful behaviour when risks materialise (with a lack of willingness to accept responsibility for taking action); and an optimistic view of how much risk can be transferred to the private sector
- many services are delivered through Executive Agencies or **other public-sector bodies** such as Local Authorities (LAs) and non-departmental public bodies (NDPBs). These may have their own separate statutory responsibilities and, in the case of LAs, separate lines of accountability. The terms of any agreements between the partners may be less explicit than in a typical contract, and in particular there may well have been very little explicit agreement of risk-management responsibilities.

There is a specific challenge here in being clear about where partners’ objectives overlap (and can be aligned to address a common goal, with common risks) – as opposed to where they are fully independent.

A further challenge is to adapt, as far as possible, the good practice established for contractual relationships for use with other partners. An example here is seeking to achieve the clarity of objectives in a good commercial contract, including its necessary compromises between partners.

Services and projects are increasingly being delivered through partner organisations... This puts a premium on successful risk management



Definitions

6. In this guide the following definitions are used:

- **Partners** are defined as any organisations with which a department works to deliver their objectives, with a formal agreement of roles (contract, funding agreement, Service Level Agreement etc). There may often be a long-term relationship.

Note: i) this deliberately does not cover all stakeholders, e.g. lobby groups or citizens. There is a wider issue of how to deal effectively with all stakeholders, but some of the considerations will be different from those in this guide. ii) We are concerned here with partners in the 'supply chain' i.e. those concerned with operational service delivery. The OGC *Successful Delivery Pocketbook*³ defines the '(service) delivery chain' as including every party in the delivery of the service all the way from policy formulators to front-line (the citizen). Thus there is an emphasis on ensuring the right service is provided to the citizen. The supply chain is concerned with realistic handling of operational service delivery risks (i.e. delivering the stated service – not considering if it is the right service – so a subset of the former).

- **Partnering** is a form of collaborative working between partners. OGC⁴ states that: "In contrast with traditional 'arms length' procurement and contract-management approaches, partnering is characterised by a greater degree of openness, communication, mutual trust and sharing information. The aims of partnering arrangements are often expressed in terms of business outcomes rather than specific outputs or improvements; their success is particularly dependent on the people and relationship aspects."⁵

Partnering is more active than traditional 'arms-length' contracting, taking more effort, but offering potential benefits including better risk management. It is important to emphasise that it is not an easy option, and needs to be underpinned by clear roles and responsibilities for decision-making, and effective performance reporting.

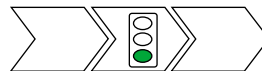
- **Partnerships** are defined by the agreements between the partners.

Partnering is characterised by a greater degree of openness, communication, mutual trust and sharing information

³ The *Pocketbook* provides senior staff with advice on delivery planning and is supported by detailed advice in the *Successful Delivery Toolkit*

⁴ *Effective Partnering – an overview for customers and suppliers*. OGC, 2003

⁵ In addition to contractual agreements, there is often now a 'partnering code of practice'. Increasingly common in the construction and IT areas, it is not contractually binding, but underpins the contractual arrangement and helps all parties to understand how they will work together. The *IT Supplier Code of Best Practice* is a non-contractual document setting out 10 Commitments to effective customer-supplier relationships, including a shared approach to managing risks. It provides a good starting point for a specific partnering code of practice. In IT, the NSI/Siemans partnering arrangement is a good example of successful collaboration. In construction, good long-term collaborative working arrangements include the NHS Estates Procure 21 programme, Highways Early Contractor Involvement, and Defence Estates' PRIME Contracting



A risk management approach for partnerships

7. When working with partner organisations, the risk management approach should include the following elements:

- **Risk identification and assessment:** is there a common understanding of the risks and how they can be managed? Is this based on a common understanding of the objectives of the partnership? Are there agreed standards for assessing risk – giving a common view of severity, so mitigation action can be prioritised? An external health-check can help to ensure a common understanding of the risks.
- Ensure partners share their assessments of risks. A **joint risk register** provides a good basis for this, giving the opportunity to come to agreed judgements, allocate responsibility for action and trigger monitoring information. OGC's *Effective Partnering* guide says that "A shared risk register ensures complete understanding for both parties about risks to implementation and ongoing service delivery, and enables a joint approach to managing risks. Clarity of who is responsible for, and manages, which risks is also essential." Open Book arrangements can also help to ensure transparency in judging financial risks.
- **Allocation of risk ownership:** is there clarity about who is carrying which risks, and what the requirements are for providing information? This should be incorporated in partnership agreements/contracts. See:
 - OGC's *Risk Allocation in Long Term Contracts*, which contains a structured set of questions to ask in determining who is best placed to manage risks. Many of these have generic applicability to all types of partnership

Home Office

- The Prison Service keeps a joint risk register with EDS (its IT services provider) for all major projects.
- The UK Passport Agency and Siemens Business Services have a joint risk register covering shared risks to successful implementation of the passport-issuing system.
- The Criminal Justice System Risk Forum has been established to agree approaches to managing shared risks to delivery of the Criminal Justice IT Programme. The group involves representatives from the Home Office, the Department for Constitutional Affairs and other Criminal Justice Agencies, and is working to promote best practice for managing risk in delivery partnerships more widely.

Further examples are in the supporting analysis for the *July 2004 report on the Risk Programme* p20-23.

- OGC's *Decision Map for Project Strategy and Procurement* highlights how consideration of risks, and their potential allocation, can inform the type of contract or agreement that should be reached with partners
- HM Treasury's *PFI guidance*, including *Standardisation of PFI Contracts*, and *PFI – Meeting the Investment Challenge* p35-37
- the NAO report *London Underground PPP: Were they good deals?* (p27) shows how the risk ownership of different risks can be represented (see Annex C) and how the view taken on the optimum allocation may change during contract negotiations⁶
- for an example of risk transfer praised by the NAO see their report on the *National Savings and Investments' PPP with Siemens Business Services*, involving transfer of the risk of business process modernisation.

⁶ Further NAO and PAC reports on PFI/PPP are at www.nao.org.uk/recommendation/default.asp

It is important to remember that the overall service delivery and reputational risks will usually be retained by the department, even if some specific operational and financial risks lie with the partner organisation.⁷

- **Monitoring risks:** good-quality monitoring information should include the scale of risks and how they are being managed. A clear view of the key issues and risks to be monitored will help avoid the situation where large volumes of information are provided by partners, but this is not useful without significant further analysis ('drip' – data rich, information poor)⁸. It is important to have clear agreement on what information will be provided, and by whom. Difficult issues here include whether you have rights of access to partners' information, which can be invoked if there are signs of failure (these may often be included by the private sector in contracts, but, for example, the NAO pointed out that they were lacking in the case of the *British Energy privatisation*).
- **Reviewing risks:** aim to have joint risk-review meetings, as an integral part of performance management arrangements. Ensure perceptions of risk are shared (you do not necessarily want to 'average' these concerns – options include logging different perspectives, or coming to a common view), coming to a very clear understanding about who owns which specific risks, and the respective contributions to mitigation. In a significant partnership there might be joint review of risks as part of joint meetings e.g. six-monthly chief executive meetings, quarterly senior management meetings, monthly (or more frequent) working level meetings.

- **Managing risks:** this needs to be fully integrated in day-to-day management. The scale and intensity of monitoring and, where necessary, intervention should be increased when there are signs that significant risks materialise. Arrangements are needed to trigger this action promptly. These trigger points might be set out in whatever agreements are made with the partners. There may be limits to the action that can be taken, which might for example be set out in law or in the documents that set out the role of the partner organisations (e.g. Agency framework documents, NDPB funding agreements).

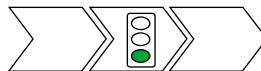
The Department for Trade and Industry (DTI) has developed a structured approach based on the level of exposure to the DTI's objectives carried by each type of partner and the level of control that the DTI has actively to manage this exposure. The focus is on better understanding those partners with high exposure and low levels of control.

The Department of Health has undertaken a *major review of its arm's length bodies (ALBs)* and how it works with them, and is reviewing the use of risk-based autonomy in the way the bodies are performance managed, which will result in a major re-shaping of the ALB sector. It is developing a risk-based approach to individual department/ALB relationships.

- **Risk communication:** sharing risk assessments will help to avoid different perspectives. An open dialogue will help create a shared understanding. Has the risk terminology/language been agreed? Or is each partner using their own language, with difficult translation necessary?

⁷ E.g. a finding from NAO's report on National Savings was: "it is unwise to rely solely on risk transfer and appropriate incentives on the private sector partner to ensure that required services will be delivered. As the transformation of operational services is central to achieving the benefits expected by each partner and the ultimate success of the partnership, National Savings is not only monitoring progress by SBS but has also engaged independent IT consultants to help it act as an intelligent customer"

⁸ NAO report on Individual Learning Accounts



- **Contingency planning:** there need to be clear plans about what action should be taken to 'step in' if risks are realised, e.g. if the service fails. These plans should be agreed with stakeholders and tested to verify that they would work. The NAO report on the *LIBRA project* to provide new IT systems for Magistrates Courts emphasises the need to have contingency plans developed early (see e.g. p42).

8. The importance of a fully developed approach is highlighted, for example, in NAO's recommendations in their report on *British Energy* (p13). One example of an innovative and well-regarded approach to handling risk in a partnership is that of the BAA-led project to build Terminal 5 at Heathrow Airport.

Managing risks need to be fully integrated in day-to-day management

Heathrow Terminal 5

Some features of the T5 agreement

- It is a legally binding contract between Heathrow Airport Limited and its key suppliers.
- It says culture and behaviour are important. Innovatively, culture is specifically mentioned in the legal contract. The values – commitment, teamwork and trust – are key.
- It addresses risk and reward. BAA holds the overall delivery risk. Suppliers take their share of the financial consequences of any risk to the project. And they also share in the financial rewards of success (like the project finishing on time and within budget).
- Risk payments, which would normally be costed into a supplier's quote, have instead gone into an incentive fund.
- Key project risks have been insured – loss or damage to property, injury or death of people, and, innovatively, professional indemnity for the project as a whole.

The T5 agreement allows the project to adopt a more radical approach to the management of risk including earlier risk mitigation. Key messages include: "working on T5 means everyone anticipating, managing and reducing the risks associated with what we're doing".



Reviewing your approach

9. Some generic lessons include the need to consider:

- **reviewing agreements with partners** to ensure that the inherent risks have been assessed and addressed (e.g. see MOD checklist at Annex B). If it is clear that partners' objectives are not fully aligned, despite best efforts, then more intensive risk management might be necessary to manage potential difficulties, and contingency arrangements or other safeguards should be developed

DfES

DfES has undertaken reviews which looked at the management of delivery chain risk associated with PSA targets and the capability of partners, NDPBs and other agencies to deliver.

- **seeking assurance that partners' risk management/corporate governance arrangements are adequate.** The existence of a Statement on Internal Control can help, but gaining this assurance will generally require a dialogue about what is required. This may then become part of some form of memorandum of understanding, e.g. a partnership agreement. Exercising or table-top exercises can help to identify any weaknesses and gaps and improve working relationships
- **establishing the right risk-governance arrangements.** OGC's *Managing Successful Programmes* guide offers guidance on setting up appropriate governance arrangements for joint management of risk
- **more work on risk at the 'pre-contractual' (or 'pre-agreement') stage than is common** (except perhaps in major PFI/PPP/privatisation deals), in order to specify which risks are managed by which partner; information sharing about risks; whether you prescribe contingency arrangements

DTI

The Coal Liabilities Unit is recognised by the NAO as having good arrangements for managing risks with partners:

- **establishing positive and open relationships with key stakeholders at the beginning of the project, with a culture free of blame, so staff and contractors can highlight their concerns**
- **each new contractor is required to participate in a risks workshop to establish the risk management principles that the Unit works to**
- **risk is an item on the agenda of all the monthly meetings between the Unit and its main contractors.**

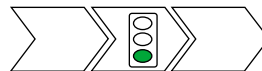
For details of this and other case studies, see NAO's forthcoming report *Managing Risks to Improve Public Services*, October 2004.

London Underground PPP

"A traditional partnership means sharing openly and transparently in the profits and/or losses of a business equally, without special advantage to either partner. In the case of London Underground, this principle has been applied to tackling major procurement challenges in a non-adversarial way. As attempted in this case, departments and agencies should explore the scope for sharing risks and design how to share the rewards before entering detailed contract negotiations."

NAO report, *London Underground PPP: Were they good deals?*

- **establishing a strong and active 'intelligent customer' function with a clear understanding of respective objectives, risks and responsibilities for addressing these** (though this needs to be balanced against efficiency concerns, and not second-guessing or unduly interfering with the day-to-day management of the partner organisation)



DCMS

Heads of Division are required to confirm in their assurance statements that where risk is transferred to a partner organisation they understand the risk-management systems they have in place and that **key risks are identified in sponsored bodies' Funding Agreements** and covered in their outturn reports. **Guidance** has been issued to Heads of Sponsor Divisions on the risk management aspects of working in partnership with NDPBs, including a **suggested list of questions** to ask on risk as part of the ongoing dialogue they should have with their sponsored bodies. This has highlighted the need for any NDPB risks which could have a material impact on the department's reputation, on the delivery of its strategic priorities or which might result in a call for extra resources to be **escalated to the department's management board**.

- deciding on a 'partnering' or 'arms length' relationship (the former may be beneficial in many longer-term relationships, where the investment of more involvement can be repaid). Issues include level of openness about risks and joint representation on each other's decision-making bodies. In the specific case of construction projects, OGC's *Achieving Excellence* initiative has already recommended that an integrated team approach – including the client – should be used
- **scaling risk-management action to level of risk:** a differentiated approach to dealing with different partners, with the level of attention given being matched to their importance and the scale of the risks faced by the department.

Risk factors

10. The work of OGC, NAO and HM Treasury in reviewing and advising on partnership working, indicates a number of generic risks factors that have caused difficulties and need to be addressed to ensure success.

Partnership arrangements

- **alignment of objectives:** is there sufficient buy-in to the department's objectives? Have strategic objectives been communicated sufficiently well in order to identify common interests?
- **aligning authority with responsibility:** are those responsible for managing the risks empowered to do so?
- **incentives:** are there incentives for partners to manage risks effectively (or e.g. are the consequences of failure felt primarily by the department)? Is the risk/reward balance right for each partner?
- **resilience of the partnership:** how resilient to unexpected events is the supply chain?
- **approach:** has the right approach been chosen (e.g. the risks of taking a partnering approach rather than an 'arms length' approach potentially include lack of clarity; getting too close to one partner at the expense of others; risks of improper relationships developing; higher cost with less value for money)? Is the partnering approach understood by those operating it (see e.g. T5 example above)? And have any tensions been resolved between the need to agree clear contractual arrangements and retaining flexibility for partnership working?

Partnership management

- **monitoring:** is there prompt, relevant, high-quality performance information? Is this clearly embedded in robust performance management arrangements?
- **skills, experience and culture:** is there sufficient understanding of the whole picture (Departmental staff responsible for working with partners often have little experience of working in delivery bodies and so are not always well placed to understand the priorities and risks of partners; conversely, staff in delivery bodies often have little experience of working in the centre of departments)? Are any cultural barriers to joint working being overcome?

11. Indicators that the partnership might not be operating effectively, and risks might be escalating, include evidence of stress in the business model; and evidence of unexpected customer behaviour.

Available resources

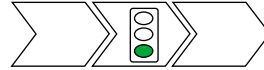
12. There are a number of very useful guides to working successfully with partners, most of which cover risk to some extent.

- *Effective Partnering – an overview for customers and suppliers* (OGC, 2003), which in turn provides references for *Managing Partnering Relationships*, OGC's best practice guidance on managing a successful partnering relationship with key **suppliers**, and *Forming Partnering Relationships with the Private Sector in an Uncertain World*, OGC's best practice guidance on issues to consider when forming a partnering relationship.
- The Cabinet Office guidance on **NDPBs, Non-Departmental Public Bodies – Guidance for Departments**

- New guidance on **Executive Agencies** from the Cabinet Office – *Creation, Review and Dissolution of Executive Agencies*.
- **NAO report:** *Joining up to improve public services*.
- **OGC's Achieving Excellence guides** – look at achieving good value for money in construction partnerships. A specific guide looks at *Risk and Value Management*.
- **Intellect's IT Supplier Code of Best Practice** – sets out 10 Commitments to effective customer-supplier relationships, including a shared approach to managing risks.
- **The European Construction Institute's** guide *A Toolkit – Partnering in the Public Sector* (ISBN 1 873844 34 4) also comes highly recommended.

13. In addition, the recommendations of the NAO study on British Energy (*Risk Management: The Nuclear Liabilities of British Energy plc*) provide a number of lessons on managing risks relating to **privatisations**, many of which have wider applicability.

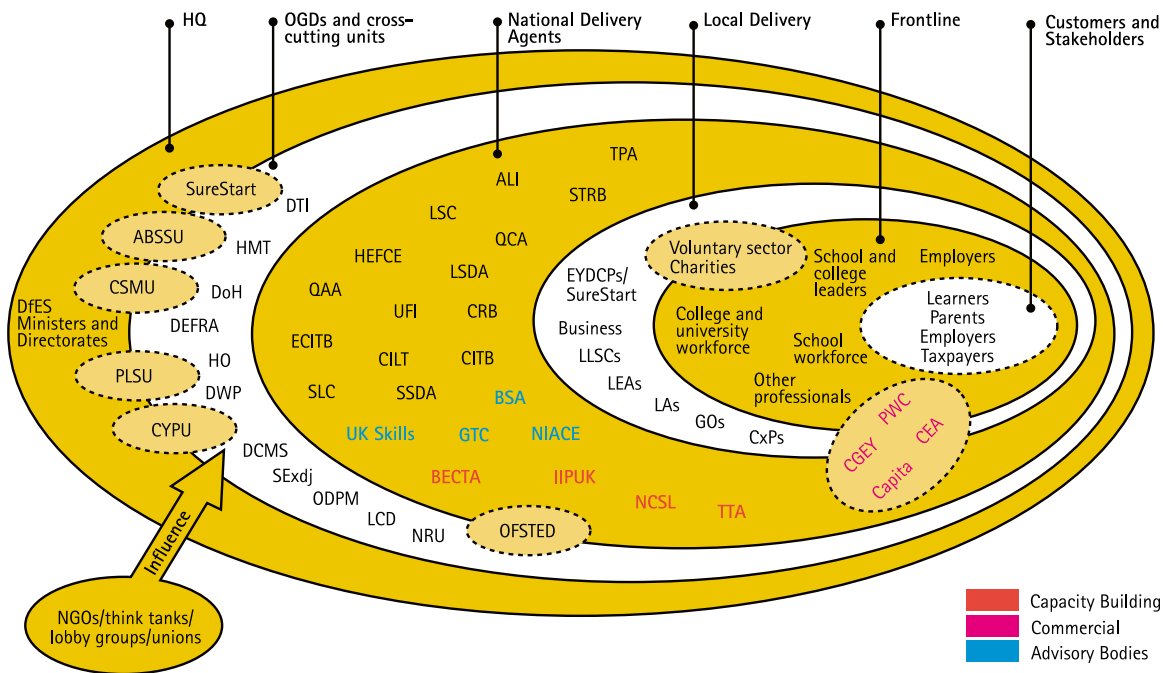
14. The Cabinet Office's guidance on *Landscape Reviews* and *End-to-End Reviews* can also help to determine how best to work with the other organisations on whom you depend to achieve objectives. This guidance also stresses the importance of managing risks well, and the need to consider the scale of the risks involved when determining the nature and scale of management interventions. See the landscape review example at Annex A (opposite).



Annex A: The delivery landscape

Delivery of government services can involve a complex range of organisations. Departments' *Landscape Reviews* are designed to help them understand the interdependencies and provide a starting point for considering whether there is clarity about responsibilities for managing risks to delivery. An example of a delivery landscape, for the Department for Education and Skills, is below.

Working with others to deliver



Source: NAO: *Increased resources to improve public services. A progress report on departments' preparations.*

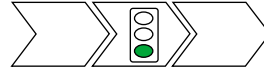
Annex B: MOD checklist for Customer-Supplier agreements

In drawing up Customer-Supplier Agreements (CSAs⁹), the bodies involved should be aware that a root cause of many of the problems of unsuccessful partnerships is a failure to assess and manage fully the risks associated with working with other organisations. Consequently, before CSAs are agreed to and signed off, organisations should ensure that risks inherent in the CSA have been assessed and addressed. The following questions provide a useful checklist for parties to a CSA to consider before signing off the contractual agreement.

Are the risks associated with working with other organisations assessed and managed?

- Are all those organisations which are likely to have some influence over the success of a programme or service to the public identified?
- Is consideration being given to the need for a consistent and common approach to managing risks which cuts across organisation boundaries, for example cross-departmental projects?
- Are the risks associated with joint working not being successful jointly identified and assessed, with responsibility for managing them by all those involved in the joint working or partnership clearly assigned and understood?
- Do organisations understand and have confidence in the risk management arrangements of all those involved in the joint working or who could influence the success of the programme?
- Has the extent to which risks can be transferred to organisations – both public and private – best placed to manage them been considered and acted upon?
- Is there reliable and regular information to monitor the risk management performance of all those organisations involved in a joined up programme and partnerships?
- Are there adequate contingency arrangements to minimise the adverse effects on public service delivery of one or more party failing to deliver?

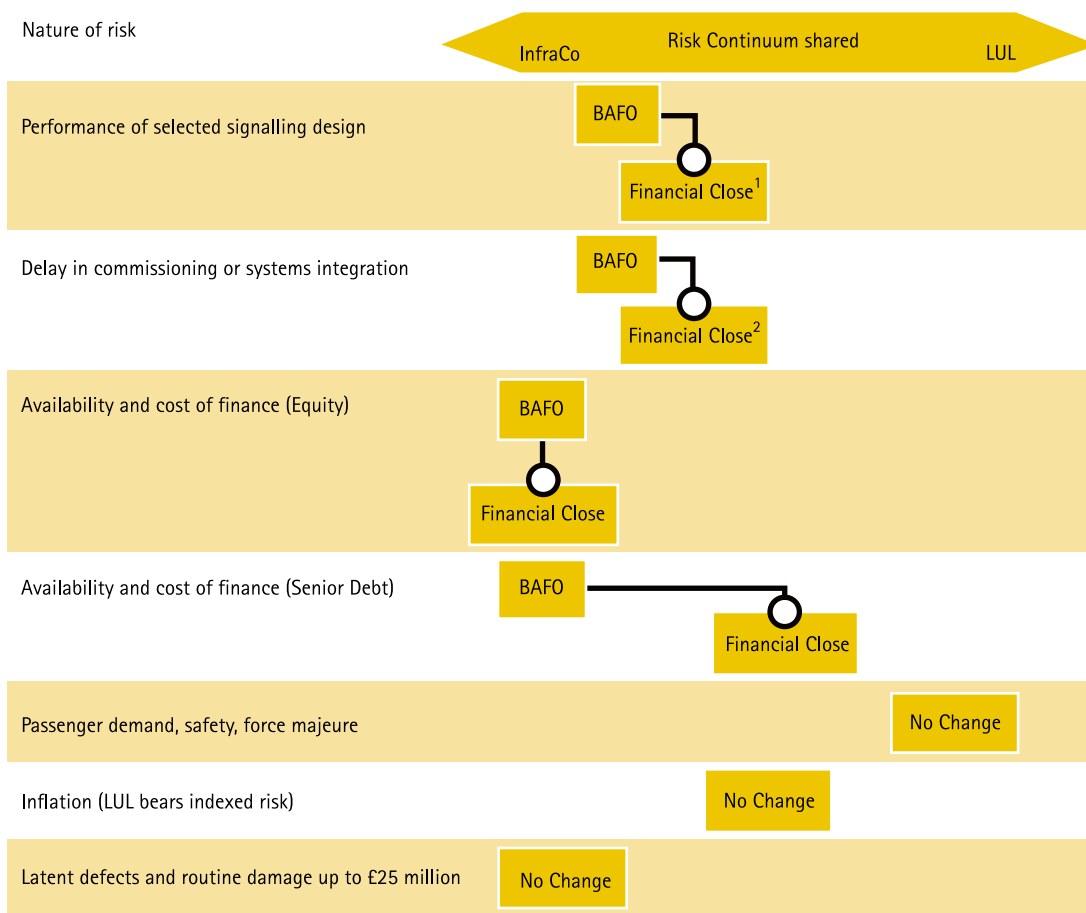
⁹ Customer Service Agreements are agreements between internal organisations in a Customer-Supplier relationship



Annex C: London Underground PPP – risk clarification

The diagram below illustrates how the ownership of risks can be mapped out, and how the relative levels of risk held by the different partners can change during the contracting activity (shown here as between BAFO – ‘best and final offer’ from bidders – and financial close). London Underground had to, for example, strike a balance between holding a desired line on risk transfer and conceding higher levels of contingency in bidder pricing.

Risk clarification examples (illustrative only)



Source: London Underground PPP: Were they good deals? p22

¹ Although the underlying commercial risk share on signalling design did not change, bidders insisted on it being much more precisely defined, reducing their uncertainty

² Infracos are allowed certain extensions of time for delays not attributable to them. Bidders argued that this no fault principle should apply generally, and LUL dropped certain exclusions it had sought. If such extensions were used in full, which would be unlikely, Transport for London estimated their value at £117 million

Annex D: Web links for further guidance

FULL LIST OF LINKS IN THIS GUIDE

Paragraph 5

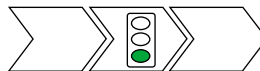
- The second report to the Prime Minister on government's Risk Programme:
www.hm-treasury.gov.uk/media//AF451/risk_2nd_report_pm_exec.pdf
- OGC's Effective Partnering guide:
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/generic_guidance/EffectivePartneringpublish.pdf

Paragraph 6

- OGC Successful Delivery Pocketbook:
www.ogc.gov.uk/sdtoolkit/keyissues/delivery/pocketbook_27-8-02.pdf
- Successful Delivery Toolkit:
www.ogc.gov.uk/sdtoolkit/
- Effective Partnering – an overview for customers and suppliers. OGC, 2003:
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/generic_guidance/EffectivePartneringpublish.pdf
- IT Supplier Code of Best Practice:
www.ogc.gov.uk/embedded_object.asp?docid=1001493

Paragraph 7

- Supporting Analysis for the July 2004 Report on the Risk Programme:
www.hm-treasury.gov.uk/documents/public_spending_and_services/risk/pss_risk_reportpm.cfm
- OGC's Risk Allocation in Long Term Contracts:
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/bpbriefings/risk_allocation.pdf
- OGC's Decision Map for Project Strategy and Procurement:
www.ogc.gov.uk/sdtkdev/new_content/decisionmap/Decisionmappt3a3b.pdf
- HM Treasury's PFI guidance:
www.hm-treasury.gov.uk/documents/public_private_partnerships/ppp_index.cfm
Contracts:
www.hm-treasury.gov.uk/documents/public_private_partnerships/key_documents/standardised_contracts/ppp_keydocsstand_index.cfm
- PFI – Meeting the Investment Challenge:
www.hm-treasury.gov.uk/media//648B2/PFI_604.pdf
- NAO report: London Underground PPP: Were they good deals?
www.nao.org.uk/publications/nao_reports/03-04/0304645.pdf



- NAO report: National Savings and Investments' PPP with Siemens Business Services:
www.nao.org.uk/publications/nao_reports/9900493.pdf
- NAO and PAC reports on PFI/PPP:
www.nao.org.uk/recommendation/default.asp
- NAO report: British Energy privatisation:
www.nao.org.uk/publications/nao_reports/03-04/0304264.pdf
- Department of Health's major review of its 'arms length' bodies:
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Paragraph 8

- NAO report on British Energy:
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Paragraph 9

- NAO's forthcoming report: Managing Risks to Improve Public Services, October 2004:
www.nao.org.uk/publications/nao_reports/index.htm
- OGC's Achieving Excellence initiative:
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Paragraph 12

- Effective Partnering – an overview for customers and suppliers (OGC, 2003):
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/generic_guidance/EffectivePartneringpublish.pdf
- Managing Partnering Relationships, OGC:
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- Forming Partnering Relationships with the Private Sector in an Uncertain World, OGC:
www.ogc.gov.uk/sdtoolkit/reference/ogc_library/bpbriefings/form_partnership.pdf
- Cabinet Office guidance on NDPBs: Non-Departmental Public Bodies- Guidance for Departments:
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- Cabinet Office guidance: Creation, Review and Dissolution of Executive Agencies,
www.cabinetoffice.gov.uk/agencies-publicbodies/guiddepts/docs/Guidance-EstablishingExecutiveAgencies.pdf
- NAO report: Joining up to improve public services:
www.nao.org.uk/publications/nao_reports/01-02/0102383.pdf
- OGC's Achieving Excellence guides:
www.ogc.gov.uk/sdtoolkit/reference/achieving/index.html
- Achieving Excellence guide on risk and value management:
www.ogc.gov.uk/sdtoolkit/reference/achieving/ae4.pdf

- Intellect's IT Supplier Code of Best Practice:
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- NAO study on British Energy, Risk Management: The Nuclear Liabilities of British Energy plc
www.nao.org.uk/publications/nao_reports/03-04/0304264.pdf
- Cabinet Office's guidance on Landscape Reviews and End-to-End Reviews:
www.cabinet-office.gsi.gov.uk/opsr/depcapland.htm

Annex A

- Cabinet Office's guidance on Landscape Reviews:
www.cabinetoffice.gsi.gov.uk/opsr/depcapland.htm
- NAO report: Increased resources to improve public services: a progress report on departments' preparations:
www.nao.org.uk/publications/nao_reports/03-04/0304234.pdf

Annex C

- NAO report: London Underground PPP: Were they good deals?
www.nao.org.uk/publications/nao_reports/03-04/0304645.pdf

About the Treasury – risk support

HM Treasury provide central support for those involved in risk management in government. For further information see:

- www.risk-support.gov.uk
- www.hm-treasury.gsi.gov.uk/GFM/rst/index.htm

Each government Department also has its own Risk Improvement Manager, who can provide support and advice.

Who is involved in developing this guide?

The central organisations involved in developing this guide include:

- Office of Government Commerce: www.ogc.gov.uk
- HM Treasury: www.hm-treasury.gov.uk
- Centre for Management and Policy Studies: www.cmpps.gov.uk
- National Audit Office: www.nao.gov.uk
- Prime Minister's Delivery Unit: www.cabinetoffice/pmd



Office of Government Commerce



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About OGC

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