

Project documents will be subject to a quality review prior to financial close and that this process will be supported by the advisers to the Project.

Recommendations:

R4: The client should maintain the co-ordination meetings between the individual Project team members with focus on design/technical, facilities management and operational policing matters into a technical and operational co-ordination group - **Recommended**

4.5 Readiness for next phase – Readiness for service

A number of the areas that should be investigated by the review team in relation to readiness for service cannot be completed until the preferred supplier has been selected and the two parties (client and supplier) have had the time to align their objectives and plans. These areas are:

- Is the working relationship likely to succeed?
- Are all resources and internal funds (the 'client-side budget') in place?
- Are the supplier's project, risk and management plans adequate and realistic?
- Does the client-side plan reflect the supplier's plans, and vice versa?

However, we did take the opportunity to discuss key success factors for the Project with both of the shortlisted suppliers, and a number of common themes emerged that are worthy of consideration:

- good quality client Project Team, including advisers – amicable to work/engage with
- Bidders have had to work very hard and fast – so much has been discussed and agreed in dialogue that continuity of the client Project Team members will be critical to achieving a successful completion by August 2012
- timescale to achieve financial close is challenging but achievable
- a lot of time has been spent during the competitive dialogue process in developing Contractors' Proposals, so only "fine tuning" should be necessary post appointment of Preferred Bidder
- excellent specialist/operational input from the client but some more focus may be needed on the more generic spaces, such as offices and administration areas

- the Preferred Bidder will need to “hit the ground running” in relation to making the necessary Planning Applications as Funders are likely to wish to see the expiry of the full judicial review period before financial close – a delay in one application could delay the entire project and there are potential delay risks in relation to the resource levels of the relevant planning authorities to deal with the applications on a timely basis
- integration of ICT into the Project has been a challenge as has dealing with SW1, the client’s existing ICT contractor, but specification issues have now been largely resolved and market tested prior to bids being submitted

At the final Gateway 3 review, we would expect to see the completion of the long-term contract administration plan and benefit measurement process and a Project Plan that confirms arrangements for management, monitoring, transition and implementation of the Project.

At this Interim stage, we have noted the considerable efforts of the Project Team in developing the service management plan, administration and service level arrangements. These will need agreement between the client and supplier and form a significant part of the performance standards for the PFI contract.

Whilst the Project Agreement currently incorporates change control procedures, final acceptance criteria need to be agreed with selected supplier and a validated acceptance testing plan prepared, including technical and business components. These should be examined in the Final Gateway 3 review, prior to the investment decision.

Recommendations:

We have no specific recommendations arising from the supplier feedback gathered as part of the review.

5. Previous Gateway Review Recommendations

Assessment of Delivery Approach

*R1: Business process reviews that are currently being undertaken by various parts of the organisation in relation to the Projects should be co-ordinated by the Change Management Executive – **Essential***

The project and programme landscape is now well co-ordinated by the Change Management Executive. All project and programme activity is mapped and the Senior Leadership Team (Chief Constable and his direct team) have lead the integration approach. The Project has now been ‘mainstreamed’ into the transformation programme and is clearly tied-in as a key enabler to the changes the organisation wishes to make.

*R2: Remaining undetermined Project outputs should be confirmed and communicated to Bidders as soon as possible – **Critical***

All project outputs have been confirmed and communicated to suppliers.

*R3: The Benefits Realisation document needs to be turned into a proper Benefits Plan with SMART objectives and KPIs otherwise the success of the Projects will not be able to be measured beyond the completion and handover of the new facilities – **Essential for FBC***

The central Change Team (leading the main transformation co-ordination) have supported the Project strongly in this area. The Project has a number SMART objectives and a suite of KPIs is being developed to measure benefits. The Review Team were very impressed with the progress in this area of recommendation.

Business case and stakeholders

*R4: The Affordability Assessment contained in the OBC is re-assessed in the light of updated budgetary information and subject to a greater degree of risk and contingency planning – **Essential***

The affordability assessment is satisfactory and all elements are covered adequately. There have been good working sessions on affordability and MTFP.

*R5: In preparation for the ABC/FBC stages, the vision, strategy and business need for the Projects should be reaffirmed by reference to current ASP strategies and plans – **Essential for FBC***

The vision and strategy are clearly covered in the Interim Full Business Case. The ability to reassert the vision and strategy in the latest submissions was constrained by the requirement to complete the new Home Office defined template

*R6: ASP should map all of the Programme/Project Interdependencies - **Recommended***

The Project Team has done a good job in mapping the interdependencies between the projects and programmes. All initiatives are mapped centrally and key programme/project director/manager meetings are taking place regularly to co-ordinate the initiatives.

Risk Management

*R7: The Programme Risk Register should be refreshed by holding a risk workshop with all key stakeholders - **Essential***

A number of risk workshops have taken place and we are more confident that risk management is embedded in the Project. The Risk Register is tabled monthly and operational support staff recognise risk as an integral part of their work at this Gateway Review.

6. Next Gateway Review

The next Gateway Review should be a final Gate 3 check once the preferred bidder has been formally selected and joint planning work has been undertaken. This is expected in May 2012.

The following aspects should be analysed at this final stage:

- the proposed supplier's development and implementation plans
- the allocation and understanding of responsibilities
- the technical implications of the Project

7. Distribution of the Gateway Review Report

The contents of this report are confidential to the SRO and their representative/s. It is for the SRO to consider when and to whom they wish to make the report (or part thereof) available, and whether they would wish to be consulted before recipients of the report share its contents (or part thereof) with others.

The Review Team Members will not retain copies of the report nor discuss its content or conclusions with others.

Any other request for copies of the Gateway Report will be directed to the SRO.

Appendix A - Purpose of a Gateway Review 3: Investment Decision

- Confirm the Full Business Case and Benefits Plan now that the relevant information has been confirmed from potential suppliers and/or delivery partners
- Confirm that the objectives and desired outputs of the project are still aligned with the programme to which it contributes and/or the wider organisation's business strategy
- Check that all the necessary statutory and procedural requirements were followed throughout the procurement/evaluation process
- Confirm that the recommended contract decision, if properly executed within a standard lawful agreement (where appropriate), is likely to deliver the specified outputs/outcomes on time, within budget and provide value for money.
- Ensure that management controls are in place to manage the project through to completion, including contract management aspects
- Ensure there is continuing support for the project.
- Confirm that the approved delivery strategy has been followed.
- Confirm that the development and implementation plans of both the client and the supplier or partner are sound and achievable.
- Check that the business has prepared for the development (where there are new processes), implementation, transition and operation of new services/facilities and that all relevant staff are being (or will be) prepared for the business change involved.
- Confirm that there are plans for risk management, issue management and change management (technical and business), and that these plans are shared with suppliers and/or delivery partners.
- Confirm that the technical implications, such as 'buildability' for construction projects; and for IT-enabled projects, information assurance and security, the impact of e-government frameworks (such as e-GIF, e-business and external infrastructure) have been addressed.
- Evaluation of actions taken to implement recommendations made in any earlier assessment of deliverability.

Appendix B - Summary of Recommendations

Ref No.	Report Section	Recommendation	Status (C.E.R.)	Management Response
R1	4.1	Now there is some clarity of the way forward, the client should re-plan the project including detailed programming, critical path analysis and resource allocation. The client may wish to consider the use of specialist programming and resource scheduling software.	Essential	Agreed, the Project Manager sought additional clarity from the Home Office and re-planned the remainder of the project. The Full Business Case reflects the updated position. The project team use Microsoft Project to capture its plans – this application fully meets the PFI project needs.
R2	4.2	The organisation should continue to resource the benefits management process and the development of the Benefits Register. Measures should be identified and agreed for the remaining 9 critical success factors or, alternatively, if the factor cannot be measured its position on the list should be reviewed.	Essential	Agreed. The momentum behind benefits management will be maintained by a designated project team member. The strategic benefits are subject to periodic review by the Accommodation Programme Board to ensure the most appropriate benefits are being tracked.
R3	4.3	The Project Risk Register should be updated by the Project Team in relation to mitigating actions.	Recommended	Agreed. The Risk Register is always updated within a week of a risk review. The Final Business Case includes the updated risk register.
R4	4.4	The client should maintain the co-ordination meetings between the individual Project team members with focus on design/technical, facilities management and operational policing matters into a technical and operational co-ordination group	Recommended	The PFI project manager ensures that co-ordination between the technical and operational elements exists through formal project meetings. This arrangement will be maintained. The creation of an additional technical/operational co-ordination group is not deemed necessary.

Each recommendation has been given Critical, Essential or Recommended status. The definition of each status is as follows:

CRITICAL - Critical for immediate action, i.e. to achieve success the project should take action immediately to address the following recommendations:

ESSENTIAL - Critical before next Review, i.e. the project should go forward with actions on the following recommendations to be carried out before the next Gateway Review of the project:

RECOMMENDED - Potential Improvements, i.e. the project is on target to succeed but may benefit from uptake of the following recommendations.

