



Cabinet Office

24 May 2013

The Major Projects Authority Annual Report

Making projects world class

Foreword: Minister for the Cabinet Office

As the Minister for the Cabinet Office, my mission is to be the taxpayers' champion across Whitehall. This Government is firmly on the side of hard-working people. They expect every single pound they pay in tax to be spent judiciously.

We know that billions of pounds were squandered in the past. Major projects were one area where countless millions were poured away. At the time of the General Election it seems that just one in three of these important projects were delivered on time or on budget. That was nothing less than an unacceptable record.

If Britain is to succeed in the global race, we need to deliver our major projects efficiently and effectively. We have some successes to build on: the 2012 Games impressed the world. But we have a long way to go to ensure that our project delivery matches what the public expect. That's why after the 2010 election we founded the Major Projects Authority with an express mandate from the Prime Minister to turn around the Civil Service's record of delivering projects.

This report is another step towards rectifying the position. It contains information on the Government's portfolio of major projects. Alongside it, departments will release information on their projects as well as the traffic light ratings produced by the Major Projects Authority.

Transparency is not easy. We are taking a big step by publishing this honest appraisal of our major projects. A tradition of Whitehall secrecy is being overturned. And while previous Governments buried problems under the carpet, we are striving to be more open.

Major projects affect all of us. The Government's portfolio alone has a total lifetime cost stretching over £350 billion. These aren't just projects: they are integral to the Government's ambitious reform agenda.

By their very nature these works are high risk and innovative. They often break new ground and dwarf anything the private sector does in both scale and complexity. They will not always run to plan. Public scrutiny, however uncomfortable, will bring about improvement. Ending the lamentable record of failure to deliver these projects is our priority.

In the past, mistakes have been concealed in layers of bureaucracy, only surfacing when billions of pounds of taxpayers' money had already been wasted. Some project leaders were running multiple projects of huge complexity. Skills in project management were lacking. There wasn't even central oversight of all of Government's projects.

This MPA report is nothing short of ground breaking. It's taken us longer than we hoped to get here. But we are publishing alongside it RAG ratings for each project – something no Government has ever done before.

I want to pay tribute to all my officials in the Authority and the wider Efficiency and Reform Group. They've worked closely with teams across Whitehall. Together they have saved taxpayers £1.7 billion from major projects alone– that's £100 for each working household in the country. The assurance bill for consultants has been halved while we have trained up new project leaders within the Civil Service. At the same time we have transformed the record of project delivery so that now around two thirds of projects are currently expected to deliver on time and to budget.

This report lays out how this Government has put us on the path to improvement. Just as people once marveled at Brunel's engineering feats, I want us to be able to celebrate this generation's ambitious

programme of reform. There's still a long way to go to and we will strengthen the MPA to help us get there.

**Rt Hon Francis Maude MP, Minister for the Cabinet Office,
Paymaster General**

Foreword: David Pitchford, Executive Director, MPA

April 2013 marks two years of the Major Projects Authority. This first Annual Report sets out the key elements of the Authority's activities in transforming the rate of successful delivery of Government-funded major projects. For the first time, the country's biggest and most high-risk projects are scrutinised so problems are exposed before they spiral out of control. Over two-thirds of major projects are predicted to deliver their promises on time and on budget, more than double the historic success rate. However, the MPA has studied carefully what goes on in every department, and we have uncovered some weaknesses which we are continuing to address.

The MPA was established following a landmark report by the National Audit Office in 2010, which recommended a wholesale shift in the administration of major projects. It works closely with individual departments' project teams and Permanent Secretaries to monitor and improve the management of major projects. Through this collaborative approach, the MPA's Government Major Projects Portfolio has improved the rate of successful project delivery from under 30% to over 70%.

Our success has been achieved by focusing intensively on the three core elements of successful project management: improving leadership; improving the operating environment; and looking closely at the past lessons.

Firstly, the introduction of the Major Projects Leadership Academy (MPLA) will transform the project leadership capability within Government and places us at the cutting edge of global project leadership education. The MPLA is a formal alliance between Saïd Oxford Business School and the MPA. Its uniqueness comes from the

fact that it is the only major project leadership academy in government across the world, with the coursework designed to provide direct exposure of participants to world-class project leaders and their experiences. This Academy will generate a cadre of project leaders with levels of skill far beyond those previously held. It will also form the foundation for a profession of project leadership within Whitehall that will ensure the best people are applied to the most complex projects. This is a major shift in capability and capacity and will elevate our overall performance exponentially.

Secondly, we are working hard to develop a newly structured and controlled operating environment within departments which will allow and support the newly trained leaders from the MPLA to apply their skills and capability to turn around poorly performing projects, and to set up new, successful projects. We have commenced work on this with Permanent Secretaries through a five-day workshop at the MPLA at Oxford. The aim is to implement full portfolio management within departments, and to blend this into the broader responsibilities on project performance in the Public Sector Reform Plan. These activities will be core to the MPA operational platform for 2013/14.

The third element is under development and will be accelerated once the priority work on the Operational Environment gains traction. The “Achievements and Learnings” pillar will be a collaboration built around combining the extensive data and documentation held by Saïd Oxford, with the actual lessons and understandings gained from major projects themselves. A major plank in this platform will be the significant data provided by the Olympic Delivery Authority in building the successful London 2012 Olympics.

This report showcases how far we have come – from the foundations we have laid and the significant steps forward we have made with the GMPP, our assurance and the Academy. The first two years of operation have provided some real and important successes, not least of which is

the strong collaboration MPA has built with Permanent Secretaries, departments and key stakeholders, particularly HM Treasury. Today we embark on another radical departure by publishing, for the first time, the status of the Government's Major Projects Portfolio. This shows the MPA RAG ratings and the actions that departments are taking. Publishing project information will provide the incentive needed to drive up the performance of Government's major projects.

The future for the MPA will be demanding but hugely important. I am proud of what the organisation has achieved over the past two years and am extremely excited about what lies ahead.

David Pitchford, Executive Director, Major Projects Authority

Executive summary: making projects world class

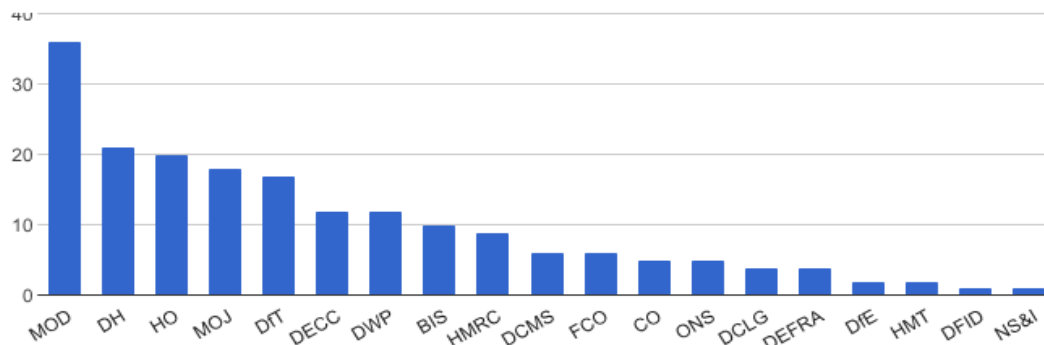
The MPA was set up in 2011 with tough new powers to improve the performance of Government's major projects. This report shows that we are on the right track. By intervening in failing projects the MPA has already saved taxpayers £1.7 billion. Better assurance and leadership means that we are set to double the success rate of major projects from less than a third before 2010 to well over two-thirds.

This report outlines further reforms to continue our drive for improvement and is, in itself, a major step forward. For the first time ever the public can see how these vital projects, which they pay for, are progressing. It is not easy for any Government to expose the state of its most complex and high risk projects but this unprecedented transparency will help prevent problems being hidden and left to spiral out of control.

Before the last general election, there was no accurate picture of what was happening with projects across Government. Problems were swept under the carpet where they festered. Now with the Government's Major Projects Portfolio (GMPP), Ministers and senior officials have a firm grip on all 191 major projects.

Number of projects (by department)

Quarter 2, 2012-13



[Download this data as a CSV file \[1kb\]](#)

The total whole life cost of all the projects on the GMPP is £353.7 billion. Projects managed by just ten departments account for 98% of the cost. The Ministry of Defence (MOD) has the highest published total spend at £88.1 billion. MOD also has the highest number of projects with 36 listed on the GMPP. The overall picture shows that there is no correlation between the size of the department and the size of its portfolio. One of the smallest (DECC) is managing 12 major projects, the same number as Department for Work and Pensions (DWP) which is one of the largest departments. The distribution of delivery confidence (RAG) ratings shows a high proportion – the majority – are on course to deliver successfully to time and budget.

Working in partnership with HM Treasury we have, for the first time, aligned the assurance and approvals processes. MPA assessments are now a key consideration in HM Treasury decisions to approve both business cases and funding. Where necessary, we will recommend the cancellation or closure of a project. These cases are rare, but must be swiftly resolved to ensure minimal further public expense. The National Programme for IT and FiReControl are examples of this.

The MPA has reduced the cost of project assurance by 24% from £8.3 million in 2010 to £6.3 million this year. Much of this saving has been achieved by building Civil Service expertise and ending reliance on expensive consultants. Before the MPA was set up only 45% project reviewers were civil servants. We have turned this around so in the year 2011 to 2012 86% were civil servants and just 14% were consultants. In 2012 to 2013 this improvement continues, with 87% of project reviewers being civil servants and only 13% consultants.

Effective leadership is vital to the successful delivery of all major projects and is a priority in the Government's Civil Service Reform plan. In February 2012, we launched the Major Projects Leadership Academy (MPLA), in partnership with Deloitte and Saïd Business School, University of Oxford. More than 90 project leaders have started the academy training and we are on track for all to have done so by the end of 2014. In the future no one will lead a major project without having first completed this training. This forms part of a wider approach to develop a properly supported project leadership profession within the Civil Service, which recognises and links performance to career progression.

These improvements are just the start. Over the past two years we have studied what goes on in every department and have uncovered serious weakness which this Government is determined to address. Persistent failings have frustrated Ministers and Civil Servants who want to get on and do their job. Now Ministers and Senior Civil Servants are working together for a lasting solution as the public rightly expects.

Our key concern is the operating environment in which projects are managed. Project policy and project delivery have often been disconnected. This means that decisions about what projects are expected to achieve have been made without proper attention to critical planning, resource allocation and governance arrangements. The MPA will develop a standardised portfolio management system which will be rolled out across Government. It will set out clear lines of accountability

to be applied consistently in all departments. We will not allow good project management to be left to chance.

We have also been surprised by the poor quality of project data which is collected and recorded. This has been an impediment to effective assurance and also means that mistakes are being repeated because lessons are not being recorded and shared. The MPA has already taken control of the Olympic Learning Legacy website and is examining options to develop the service as a central archive for project data. This action has huge potential to help project leaders avoid common pitfalls and share solutions, not just in Government but in the private sector as well.

By publishing this annual report alongside the departmental project data, the Government is shining a spotlight on all major projects to continue to improve project delivery. Allowing people to see how major projects progress year-on-year will eliminate complacency and help to raise the success rate. We are embarking on a radical departure from the past by publishing the status of all our major projects and explaining the actions we are taking.

Establishing the Major Projects Authority: identifying the priorities

“Previously Government projects have had a poor delivery record. There was no cross-governmental understanding of the size and cost of the Government’s Major Project portfolio, and projects often began with no agreed budget, no business case and unrealistic delivery timetables. This Government will not allow that costly failure to continue. The MPA will work in collaboration with central Government Departments to help us get firmer control of our major projects both at an individual and portfolio level.”

Rt. Hon Francis Maude, Minister for the Cabinet Office, March 2011

The cost, ambition, complexity and risk of the Government’s major projects have increased hugely over the past decade. For too long only a minority were completed on time, on budget and to the desired quality. Central Government assurance and National Audit Office (NAO) findings have both highlighted the delays, overspend and under-delivery that plagues major projects.

In an era of intense pressure on public expenditure, the need for vastly improved results from the billions of pounds spent on public projects has never been greater.

Understanding the major projects portfolio

At the end of the last General Election there was no central oversight of the Government’s major projects, and therefore no understanding of their number, size or complexity. Core performance data was not collected on a systematic basis to enable risks and issues to be

managed effectively by departments. The lack of information limited the effectiveness of external independent assurance processes; and those processes themselves were inadequate.

A new system of assurance

The former Office of Government Commerce's (OGC's) Gateway™ Review process which the MPA took over, lacked the weight to drive real improvements in project performance. In its 2010 report '*Assurance for high risk projects*', the NAO called for "A new mandatory system of assurance ... to reduce the financial risk to the taxpayer and increase the likelihood of successful project delivery."

Project capability

Project leadership has been identified as a key factor in major projects failing to deliver high quality outcomes on time and to budget. A lack of appreciation and experience of critical project and programme management techniques has inhibited progress. It is the role of the MPA to ensure that technical expertise is considered and tested within assurance reviews and the risks are both understood and managed. MPA is working to ensure that we have reviewers who have experience and understanding of the new Agile approach.

Dissemination and application of learning

We need to learn from successful projects as well as failures. At individual project level the issues hampering successful delivery are usually well documented, but measures taken to address them often do not have enough impact to put the project back on track quickly. Where lessons from past projects have been captured, they are not recorded in an easily accessible place nor turned into practical tools which can be applied to new projects.

Operating environment

Projects do not exist in a vacuum; they are created to implement Government policy objectives or bring about major operational change. However policy and delivery have often been disconnected, even though they are frequently co-dependent in practice. There has been a failure to ensure critical planning, resources, governance arrangements and political backing were all in place at the outset. As a consequence, in the past major projects were too often started with deadlines shaped by public announcements and before wider challenges had been properly thought through. Scope was frequently amended mid-project due to changes in policy, personnel or political will. Inadequate processes for challenge and change management resulted in increased cost and schedule overrun. This all needs to change.

A new approach

Actions and measures previously put in place to improve the situation have proved insufficient on their own and that's why more radical change was needed. The Government needs better information, improved project leadership, a knowledge base for applying good practice and a better operating environment.

The Major Projects Authority remit

The Government launched the Major Projects Authority, within the Cabinet Office's Efficiency and Reform Group (ERG), in March 2011. It operates as a partnership between the Cabinet Office and HM Treasury, reporting jointly to the Minister for the Cabinet Office and the Chief Secretary to the Treasury. It is supported by a strong Prime Ministerial mandate.

The MPA is supported by a clear and enforceable mandate and has the authority to:

- Develop the Government's Major Projects Portfolio and work with departments to provide verified, timely data on projects, regularly reporting to Ministers;
- Require, review and approve integrated assurance and approval plans for each major project or programme validated by the MPA and HM Treasury, including timetables for HM Treasury approvals;
- Carry out additional assurance reviews where there is cause for concern and ensure that Departments co-operate to take action to address any issues raised;
- Escalate issues of concern to Ministers and accounting officers;
- Intervene directly where projects are causing concern, providing additional assurance or commercial and operational support;
- Make a Starting Gate review, or equivalent, mandatory for all new projects and programmes to assess deliverability before project delivery gets underway;
- Work with departments to build capability in project and programme management, including the nomination of suitably senior and experienced officials to act as reviewers on high risk projects and programmes at least once every 12 to 18 months;

- Require publication of project information consistent with the Coalition Government's transparency guidelines; and
- Work with departments to publish an annual report on the Government's major projects.

This remit is intended to address the major areas of improvement needed: in performance data, project leadership capability, operating environment and learning. The MPA has therefore structured its work according to four critical pillars of success:

Pillar 1: The Government's Major Projects Portfolio (GMPP). The establishment and oversight of the portfolio of the highest risk, highest value major projects across Government.

Pillar 2: The Major Projects Leadership Academy. The establishment of an Academy that will significantly improve the quality of Whitehall's delivery expertise and build a cadre of world class project leaders.

Pillar 3: Changing the operating environment. Work to ensure projects are established and delivered under optimum circumstances and are set up to succeed from the start.

Pillar 4: Achievements and learning. Establish an innovative, electronic platform to capture and communicate lessons learned and best practice, to enable direct access to project material. The foundation for this will be the legacy learning from the successes of the Olympic Delivery Authority.

The Government's Major Projects Portfolio

The GMPP is created using a definition of a major project as:

“A central Government funded project or programme that requires HM Treasury approval during its life, as set out in Delegated Authority letters.”

It is important to note that there are areas where HM Treasury authority can never be delegated and accordingly, it is assumed that projects which exhibit any of the following characteristics will also be classed as Major Projects:

- Could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision;
- Would entail contractual commitments to significant levels of spending in future years for which plans have not been set;
- Could set a potentially expensive precedent;
- Are novel and contentious; or could cause significant repercussions for others; or
- Require primary legislation; or where Treasury consent is a statutory requirement.

The exact portfolio for each department is agreed by the MPA and the relevant HM Treasury spending team, after discussion with the department.

The GMPP comprises the largest and most ambitious projects, delivering the Government's main policy initiatives. It represents projects of huge complexity, innovation and risk. All Government Departments have projects on the GMPP.

It is mandatory for all projects on the GMPP to report core performance data to the MPA on a quarterly basis. The purpose of collating that data is to:

- Achieve cross-government understanding of size and cost of the whole GMPP;
- Achieve cross-government understanding of cost and viability of individual projects;
- Achieve understanding of departmental rankings of projects, and support the MPA in concentrating on those projects most critical to delivering departmental objectives;
- Provide a high level capture of the main project, procurement, assurance and approval milestones; and
- Identify projects with poor or declining delivery confidence or those that are not on time and/or on budget, and provide a medium-term forecast of assurance needs.

Case study: The National Citizen Service

What is it?

A voluntary programme that gives 16 and 17 year olds the opportunity to take on new challenges, learn new skills and make a difference in their communities.

How is it structured?

National Citizen Service is a unique full-time programme that takes place over three weeks, followed by 30 hours of social action. The main programme runs in the summer holidays, with shorter programmes run during spring and autumn half-terms. Participants develop a social action project that deals with a local issue they are passionate about, and spend 30 hours putting the project into action in their local

community. There are up to 50,000 places available in 2013, and the Prime Minister has made a commitment to offer 90,000 places in 2014.

What has gone well?

- For every £1 invested in NCS, the programme delivers up to £2 returns in benefits to communities.
- 95% of young people reported NCS gave them the chance to develop 'work-ready' skills for the future, in particular teamwork, leadership and communication.
- 85% of participants said that NCS had made them aware of more education or employment opportunities and the proportion of young people saying they were planning to continue in education after NCS increased. 93% of young people would definitely recommend NCS to a friend.

What value has the MPA added?

The MPA has supported the NCS programme throughout with the planning, co-ordination and evaluation. This has helped to ensure that the programme's delivery and risk management are robust, transparent and effectively managed.

Alignment of assurance and financial approval: Integrated Assurance and Approvals Plan (IAAP)

Each project in the GMPP is required to have an IAAP. The IAAPs co-ordinate the planning and provision of assurance activities with HM Treasury and departmental approval points throughout the lifecycle of a major project. In addition, the IAAPs identify the right timing for MPA assurance reviews and serve as the basis for decisions on which type of review is appropriate. Departments are required to submit a draft IAAP

for each major project for validation by both the MPA and HM Treasury. The MPA's role of independent project assurance is fully integrated with HM Treasury's role in the scrutiny and approval of expenditure on major projects. Under this new partnership, HM Treasury approval will not normally be given without previous MPA assurance and recommendations on project status.

This ensures that project assurance is integral to HM Treasury approval for major projects at three definitive business case stages:

- Strategic outline case;
- Outline business case; and
- Full business case.

This scrutiny process is also adapted where necessary to provide progress checks on projects, thereby supporting the overall assurance process.

Assurance reviews

Building on the OGC Gateway™ process introduced in 2000, the MPA has developed a suite of assurance reviews which cover the entire lifecycle of policy to delivery.

Starting Gate

Every major new initiative must have an early stage assessment of its deliverability prior to any formal feasibility work being undertaken, and where possible prior to major policy announcements.

Gateway™

Assesses a project's performance and viability and makes recommendations for change to improve the likelihood of success.

Case study: The Francis Crick Institute

What is it?

'The Crick' is a joint venture between the UK's largest biomedical research and academic institutions to build a world leading centre of biomedical research and innovation.

How is it structured?

The Crick will be housed in a new building close to St Pancras station in central London. It will employ 1,500 staff, of which 1,250 will be scientists, and have an operating budget of over £100 million.

What has gone well?

- The project is successfully keeping to both time and budget.
- There has been efficient cost planning, with the responsibility shared between The Crick and the contractor.

What value has the MPA added?

The recommendations from reviews by the MPA and its predecessor, the OGC, have helped to improve the planning of an all-embracing change programme, alongside the construction programme, to ensure the high level strategic economic, health and social benefits that are important to the UK as a whole can be realised.

Case study: The UK Green Investment Bank

What is it?

The UK Green Investment Bank (GIB) is the first bank of its kind in the world, with £3 billion of funding from the Government to invest in green projects and help the UK's transition to a green economy.

How is it structured?

Housed in Edinburgh and London, the GIB is funded with £3 billion to the end of the financial year 2014 to 2015. It has committed £635 million to date across a number of green sectors such as offshore wind and waste.

What has gone well?

- The roles and responsibilities within the policy team were clearly defined, and team members had previous experience of the areas they led on.
- The bank was delivered on time and to specification.
- In the five months it has been operational, the GIB has committed £685m to green projects, bringing alongside £1.8bn of private sector investment.

What value has the MPA added?

The MPA took on the role of ‘critical friend’ to the GIB project, by independently asking challenging questions and adding informed insights at pivotal stages of its lifecycle.

Project Assessment Reviews (PARs)

PARs are ‘deep dives’ into priority projects, which require bespoke terms of reference. PARs allow for specific issues outside of the standard OGC Gateway™ Review process to be identified and addressed. The PAR is also the review used whenever the MPA is required to carry out further investigation and analysis of a project that is in difficulty.

The MPA has several other bespoke tools that can be used for more specific issues, including:

- Case conference – allowing integrated planning for recovery of projects at risk or in difficulty;
- Applied support provision – using capability from the centre in support of recovery;
- Managed early closure – supporting controlled and timely termination of projects; and
- Escalation – timely engagement with higher levels of management and/or Ministers to resolve otherwise intractable problems.

Assurance of Action Plans (AAPs)

Where a PAR or Gateway™ review has resulted in a project being given a Red or Amber/Red rating, a short AAP review can be carried out after a minimum of three months to ensure MPA recommendations are being acted on. This assurance focuses on the action plan put in place by the department to deal with the critical issues and recommendations of the previous review. It can result in a change in the assessment of the

project's deliverability if sufficient progress has been made. The team includes an MPA representative who has the authority to make a change to the Delivery Confidence Assessment, otherwise known as the RAG rating.

The MPA's Delivery Confidence Assessments (RAG ratings)

Delivery Confidence Assessments give an overall summary of the state of a project. Its risk is indicated using a five point 'traffic light' system known as the RAG (Red–Amber–Green) scale. They should be read in conjunction with the broader narrative on a project. It is misleading to consider a projects RAG rating in isolation. The MPA ratings of departments' project performance from GMPP quarter 2 2012/13 are included in the aggregated data published in this report, and the data on individual projects published by departments.

Projects the size and scale of those in the GMPP operate with an extremely high degree of risk and complexity, against ambitious timeframes and are frequently delivering initiatives that have no global precedent. Particularly in the earliest stages, this is likely to result in projects being assessed no higher than Amber, and frequently as Amber/Red or occasionally Red.

It is important to note that a 'Red' or 'Amber/Red' rating does not mean a project will be or should be cancelled. It can be the case that, as part of the lifecycle, projects in earlier stages are more likely to be Amber/Red, moving towards Amber and Amber/Green as they remove risks and finalise design.

Though some projects will likely pass through stages of Red or Amber/Red on the path to successful delivery, there will also be instances where a Red rating signifies that a project is unachievable within reasonable timescales and to a reasonable budget, without urgent remedial action. Red and Red/Amber ratings signal to Ministers and officials that action is required and suitable mitigating measures can be put in place.

Rating	Description
Green	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.
Green/Amber	Successful delivery appears probable; however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
Amber	Successful delivery appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a

Rating	Description
	cost/schedule overrun.
Amber/Red	Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible.
Red	Successful delivery of the project appears to be unachievable. There are major issues on project definition, schedule, budget, quality and/or benefits delivery, which at this stage do not appear to be manageable or resolvable. The project may need re-scoping and/or its overall viability reassessed.

Delivery Confidence Assessments take into consideration progress against the main indicators (time, budget, benefits realisation) and other factors known to affect deliverability. This includes the design and operation of governance structures; management of the delivery chain or supplier relationships; capability and capacity of human resources, whether as a result of insufficient resource or high staff turnover; and the impact of external dependencies such as other significant internal projects, regulatory timetables and the need for market finance.

Delivery Confidence and Assurance Reviews

The RAG ratings are included in the GMPP data and are generated from the MPA's ongoing engagement with the department and the project in question, as well as the results of the most recent piece of assurance undertaken on the project. Assurance activities are discussed in more detail above, but in the majority of cases the most significant piece of data in the final report of an assurance review is a Delivery Confidence Assessment on the same 5 point RAG scale as shown above.

Closing or re-scoping failing projects

Where necessary we will recommend the cancellation or closure of a project. These cases are rare, but must be swiftly resolved to ensure minimal further public expense. The National Programme for IT and FiReControl are examples of this. The MPA can and will recommend re-scoping projects to tackle other obstacles to reduce costs. For example, following a review of NHSmail the MPA worked with the programme to simplify the current customer base by identifying inert accounts that needed to be deactivated. This helped to release capacity within the current budget constraints.

Building capability and expertise within the Civil Service

Although the overall size of the Civil Service is falling, the MPA has achieved a significant increase in the number of accredited and practising reviewers. Some 517 reviewers were engaged on the 178 reviews undertaken in 2011 to 2012, of which 86% were civil servants. The other 14% were consultants who were brought in for some reviews where the required skill set and experience could not be found within the accredited Civil Service reviewer pool.

In April 2012, the MPA launched its first targeted strategy to increase the number of assurance reviewers and increase intervention support in response to capacity and capability shortfalls in some crucial areas. This is an ongoing programme which has already resulted in a 64% increase in MPA-approved high risk review team leaders and the establishment of a senior pool of some 100 senior responsible officers (SROs) and project directors from projects in the GMPP.

As part of this strategy, there is also a requirement for all Major Projects Leadership Academy project leaders to become reviewers and carry out reviews on projects being led by peers. This will support the creation of a pool of experts at the highest level and improve departmental capability to self-assess.

The MPA wants the assurance reviewer role to be more closely aligned with civil servants' career progression and work has started to explore how staff might benefit from becoming accredited. During the MPA's second year of operations we developed the pool of reviewers. In the future, with a more proactive approach to ensuring high risk projects receive additional assurance, we will focus on increasing the number of reviewers and broadening skill sets and expertise, enlisting members from Government and the private sector.

Co-ordination with other assurance and approval mechanisms

For the largest, most complex, and highest priority projects in the GMPP, additional assurance over and above the standard MPA processes may be required prior to Treasury approval being given. In these cases, the project will be scrutinised by the Major Projects Review Group (MPRG), a Panel chaired by the Director General of Public Spending consisting of leading public and private sector delivery professionals. There will be a

peer-to-peer review where the Panel engages directly with the SRO and Project Director.

The formal outcome of the panel is a letter from the Chair to the Permanent Secretary of the department copying in the Chief Secretary to the Treasury, the Minister for the Cabinet Office and in some circumstances, the Secretary of State of the department. This also forms part of the advice to the Chief Secretary with a recommendation to either:

- Approve that the project goes ahead on the proposed plan;
- Approve the project with conditions; or
- Recommend that the project be re-scoped or closed.

Case study: The Digital TV Switchover Programme (DSO)

What is it?

DSO's remit was to seamlessly switch UK TV to digital by October 2012, ensuring all viewers found the switchover a simple, easy process. They also provided switchover assistance to older and disabled people.

How is it structured?

DSO was a highly complex programme based on a partnership of Digital UK (a not-for-profit company established specifically to co-ordinate the delivery), Government, Ofcom and the BBC. It has brought digital terrestrial TV to nearly all households for the first time, increasing the choice of affordable digital TV options.

What has gone well?

- DSO successfully met the timetable and the agreed critical success factors, and is on track to deliver significant savings.

- More than 1,154 transmitter sites were re-engineered.
- Consumer communications helped to achieve very high levels of awareness.
- Engaged successfully with diverse range of stakeholders, from charities to industry.

What value has the MPA added?

The MPA played a mentoring role in helping to develop the unique shared style of governance of the programme. MPA provided guidance on operational and strategic good practice, which led to stronger processes.

Progress to date: facts and figures

Transparency policy

In this report, for the first time, the MPA is publishing aggregate performance data for the GMPP portfolio. Simultaneously, departments are publishing on their websites information on each of their projects. These will include the MPA's RAG rating, the department's actions to address the RAG rating, and other project related data on cost and schedule. Both the MPA RAG and project performance data are based on the position as at quarter 2 2012/13, which covers June-September 2012. The actions described by departments are from that period to date.

The policy allows for appropriate levels of non-disclosure of information which should properly remain confidential, for example where it is market sensitive or necessary to safeguard national security. This will be in line with the principles of the Freedom of Information Act 2000.

There will be a six month time lag between the submission of the information and its first publication, to provide a period for departments to take action in response to the MPA ratings. The relevant GMPP data for the report is from quarter 2 of the year 2012 to 2013, which covers June-September of that period.

The Government's Major Projects Portfolio

The MPA, in partnership with HM Treasury and departments, has established the Government's Major Projects Portfolio (GMPP), agreeing a priority list of around 200 major projects covering all the main Government departments. These projects include infrastructure,

education, IT and Government change programmes. At quarter 2 2012/13, the GMPP contained 191 of the Government's major projects. At that point, the total aggregated, budgeted, whole life costs of these 191 major projects was £353.7 billion.

Case study: Thameslink

What is it?

The Thameslink Programme is a £6.2 billion transformative transport project for London and the South East of England. It aims to provide an enhanced mainline rail service to the existing route running north-south through London from Bedford to Brighton. There will be improved capacity via new, more frequent and longer trains, and big improvements to central London stations by 2018.

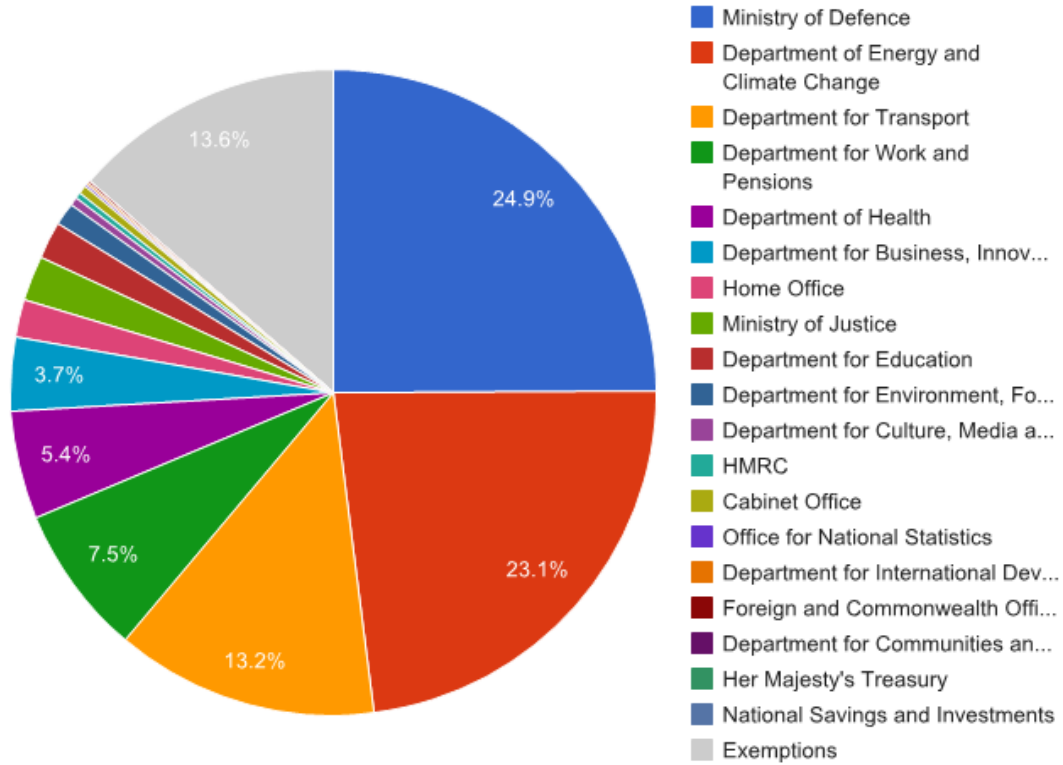
What went well?

- Rigorous cost control of infrastructure works achieving delivery of the first phase of works, including Blackfriars and Farringdon stations, within budget.
- On time delivery of the two primary first phase infrastructure milestones – 12 car operations in December 2011 and a new timetable in May 2013.

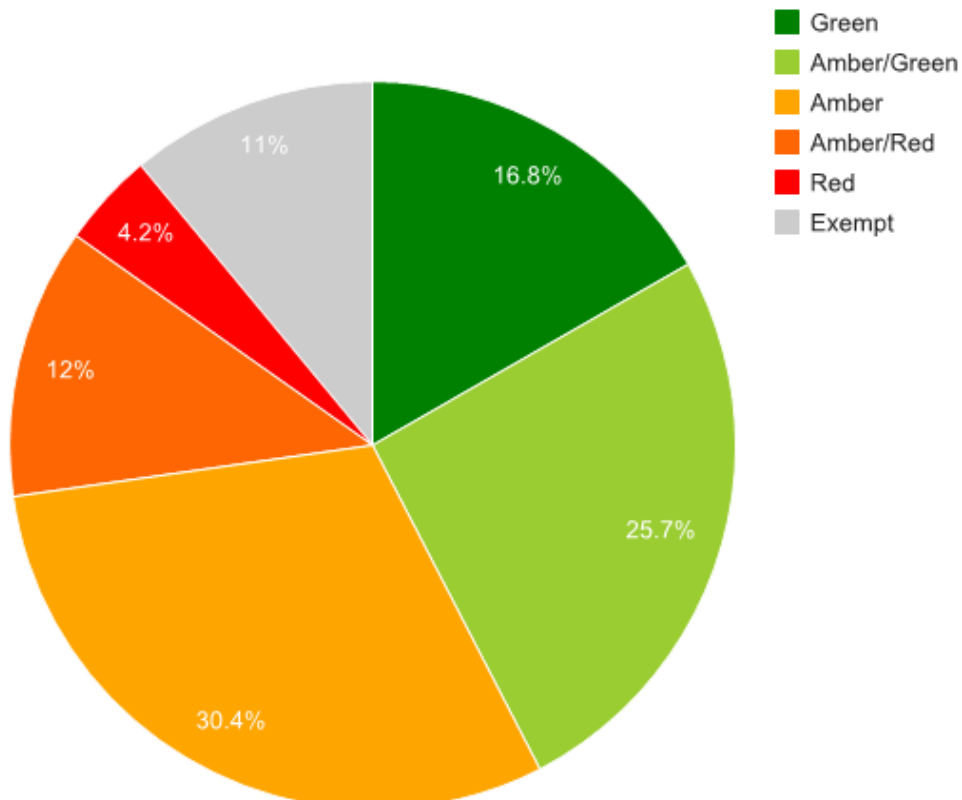
What value has the MPA added?

- MPA has provided the necessary assurance to Government that the programme objectives were still valid, planning and delivery were on track, and rigorous cost control was maintained. The MPA played a supporting role in helping to develop the cross-industry and cross-departmental governance required by this complex programme. The MPA emphasis on good practice, both operational and strategic, have lead to stronger processes, including enhanced risk and issue management, and change controls.

Departmental aggregated project whole life costs (£m) (with exemptions)



GMPP aggregated RAG distribution (with exemptions)



Across the portfolio the overall distribution of the Red Amber Green (RAG) ratings given to the 191 major projects is shown in the chart above: 32 projects are Green, 49 Amber/Green, 58 Amber, 23 Amber/Red and 8 Red.

Levels of turnover and development of the SRO role

Effective, consistent project leadership is vital to successful delivery, but data collected by the MPA shows that the levels of turnover of senior responsible officers (SROs) and project directors (PDs) are consistently higher than expected.

There are times when change is beneficial, for example to align skill sets with project requirements, but more often, change at the most senior levels causes delay and instability, as well as interrupting effective implementation at important stages.

In the year 2012 to 2013, the percentage of turnover was 15% for SROs and 9% for PDs in GMPP quarter 2, this was up 2% for SROs and down 7% for PDs compared with the first quarter of 2012/13 but is still high, and clearly has the potential to affect successful delivery.

GMPP data has also shown that best practice (1 SRO and 1 PD full time on every major project) is not being followed across Government. Only 7 SROs are collectively responsible for 15% of the GMPP projects by number and 19% of the GMPP total spend at quarter 2 2012 to 2013; and 7 PDs are collectively responsible for 9% of the GMPP by number and 11% of the GMPP value spend.

To address this the MPA has put in place measures towards ensuring that SROs and PDs are fully trained, supported and retained; not least with the Major Projects Leadership Academy (MPLA).

Improving project leadership

“The Civil Service is about a lot more than policy – it’s about implementation and delivery – making a real difference to people’s lives. I believe passionately in the ability of the Civil Service to drive through these big projects, without always having to turn to expensive external consultants. The Leadership Academy will provide them with the skills and tools they need to manage these programmes successfully, ensuring they are delivered on time and on budget.”

Sir Bob Kerslake, Head of the UK Civil Service, February 2012

The MPLA was established to address a common cause of major project failure. Its remit is to radically improve the quality of project leadership among the leaders of the biggest projects and cascade learning across Government.

The MPLA, designed and delivered in partnership with the Saïd Business School University of Oxford and Deloitte, is intended to address leadership issues and their effect on project performance. Its curriculum is based on analysis of the issues raised by MPA review recommendations on projects in the GMPP, along with research into the common issues found in delivering complex projects in the public and private sectors, domestically and internationally.

Launched in February 2012, the MPLA will significantly improve the quality of major project leadership at the heart of Government reduce over-reliance on external consultants, elevate the status of the project delivery profession and develop a cadre of world class major project

leaders supported by a peer group of exceptional quality and experience.

The MPLA programme is on track to bring back world class project leadership capability to Whitehall. To date more than 90 project leaders have commenced training at the Academy to date, meaning that the MPA is on track to meet the Civil Service Reform Plan aim for more than 340 GMPP project leaders to have commenced the programme by the end of 2014. The first cohort has completed the academy programme and their experience has been invaluable as we inform and refine the programme further. The ultimate aim is that only project leaders who have successfully completed this intensive development programme will be able to lead a major project.

The MPLA will cultivate a better understanding of the role of leadership, technical delivery skills and commercial capability in successful delivery and, most importantly, how to set up projects to succeed from the outset. This will be achieved through working with world-class academics and practitioners from both the public and private sectors. The programme actively encourages project leaders to discuss their individual challenges and to strive for excellence in their own leadership capability and project performance. Crucially, it also actively encourages leaders to cascade the learning within their department.

SROs and PDs will be trained to operate as Chief Executive Officers and Chief Operational Officers of temporary organisations formed specifically to run a project, rather than simply as large scale project managers. They will be given the authority and accountability to change the implementation of Government policy. The benchmark for this is the project leader competency framework that the MPLA has specifically designed for the programme.

Non-Executive Directors have been appointed to the Boards of each government department to help them operate in a more businesslike

way. Non-Executive Directors will play an active role in supporting MPLA participants. Their influence is also vital to improving delivery of Government's major projects by increasing scrutiny in departmental boards before projects are fully implemented.

The Academy also includes dedicated workshops for Permanent Secretaries, to support their role in creating the right context and operating environment for successful projects.

Civil Service Project Leaders Network

The Civil Service Project Leaders Network (CSPLN), launched in March 2012, supports the work of the MPLA and the Academy alumni. It provides wider access for current and future project leaders to the learning and development activities advocated by the Academy before, during and after their attendance on the formal programme.

CSPLN brings together on a quarterly basis more than 300 SROs and PDs leading the GMPP projects. The aim is to share learning across departments, build relationships, test ideas and seek views on challenges in their projects as well as hearing from world class guest speakers, who share frank and fearless accounts of their project delivery experience in both the public and private sectors.

The CSPLN supports the elevation of project delivery as a profession to be on a par with the policy profession, building capability in current leaders and succession planning for the future. The network establishes a supportive forum of expert leaders to build the foundation for a genuine profession of project leadership within Whitehall.

The Academy alumni and the CSPLN will establish a flexible pool of expert project leaders who can then be placed across Government to deliver the priority projects.

In his capacity as Head of the Project Delivery profession within Government, David Pitchford oversees the MPA's work with departments to ensure that there is systematic planning and clarity of project leadership roles, linking posts to milestones or main deliverables, and retaining vital staff during critical phases of project delivery. However, project delivery resources do not stop with the MPA.

Resourcing is also about working together. The MPA is aligned with departments to address project delivery failures of the past and has conducted a review, with Civil Service Learning, of the project delivery profession. This will see the creation of a common curriculum, aligned with the Civil Service Competency Framework, to build excellence in project management. The purpose of the activity conducted by the profession will see the renaming of project and programme management within Government to the Project Delivery profession. In addition, work is underway to look at setting up a new commercial professions group, which will include project delivery, finance, legal and procurement. The MPA is working with departments to optimise the way in which departments organise and resource their project and programme portfolios. The MPA was also actively involved in development of the Civil Service Capabilities Plan and will support its implementation.

HMRC Academy

Following in the footsteps of the MPLA, HM Revenue and Customs is increasing capability of senior and aspiring project and programme management leaders through the development of a project and programme management leadership academy. The Academy will concentrate on the development needs of those who already have significant programme management knowledge and experience but are not yet ready for the MPLA or to lead the larger and more complex projects or programmes.

Through a series of project and programme management themed development events and targeted opportunities to 'go and see/go and do', Academy members will further build their knowledge and experience to create the enduring project and programme management leadership capability required and prepare them as future major programme directors and therefore MPLA nominees.

The Academy commenced with a pilot group from HMRC in April 2013 and has been developed in consultation with Civil Service Learning and other government departments to allow it to be rolled out across Whitehall.

Government construction

In January 2013, the team charged with delivering the Government Construction Strategy joined forces with the MPA (as part of the Major Projects Cluster within the Efficiency and Review Group). This team works across central Government departments through the Government Construction Board, chaired by the Chief Construction Adviser. It aims to deliver 15% to 20% savings in Government construction by 2015 through the implementation of efficient best practice in construction procurement. Working in close conjunction with the Infrastructure UK Cost Review team, the Department for Business, Innovation and Skills (BIS), and departments, a number of initiatives are taking place. New models of procurement are being trialled, Building Information Management (BIM) digital technologies are being implemented, fair payment practices are being championed across the supply chain, and pipeline and benchmark cost data is being collected and shared across Government departments and contracts. As one of the policies which support the foundations of the forthcoming Industrial Strategy for Construction, the work of the team drives forward a vision for transforming public sector procurement practice in the construction sector in a demonstrable and sustainable way. With this end in mind, the bringing together of these two teams aligns best practice assurance and

advice in the context of major projects, and bolsters deep sector construction expertise within MPA.

Contribution to savings

In July 2012 the Government announced significant efficiency savings of £5.5 billion for the 2011-2012 financial year, which followed savings of £3.75 billion from 2010-2011. Of this, the major projects contribution comprised £147 million in the year 2010-2011 and £541 million in 2011-2012. The MPA has achieved these figures as a result of reviewing the Government's biggest projects, and has halted or curtailed spend on 3 projects:

- the National Programme for IT (£331 million) a review concluded that it was not fit to provide the modern IT services that the NHS needs;
- Crossrail (£205 million); and
- the Schengen Information System project (£5 million).

These sums represent dismantling the National Programme for IT; a budget reduction for both project sponsors over the full construction period for Crossrail; and the replanning of the Schengen project to deliver the system in 2015.

Considering the Major Projects Cluster as a whole, the implementation of the Government Construction Strategy has delivered a further £72 million of project savings during 2011 to 2012, generating a combined total with the MPA of £613 million. These savings were made by implementing efficient best practices in construction procurement, such as: improved packaging/aggregation of projects and procurements; streamlining project development and approvals processes; and rationalising the scope of projects through introducing value engineered output specification and floor area requirements to achieve a tighter fit with service requirements.

Looking forward

“We support Government’s ambition to eradicate the poor performance which has led in the past to the failure of major projects. The launch of the Major Projects Authority was a big step forward for the central assurance system and the Authority is already having a significant effect. Strong ministerial sponsorship, and the work of key individuals, has brought us to where we are today, but we are still at the beginning... If the new system is to be ‘built to last’, the Major Projects Authority needs to carry out the initial commitments to public reporting and be part of more fully integrated assurance across Government.”

Amyas Morse, Comptroller and Auditor General, National Audit Office, 2 May 2012

The operating environment

The operating environment in which departments set up and deliver projects is often less than optimal: portfolio management is not consistent; resource and issue management is frequently reactive; and project delivery is still not being given sufficient attention and importance within Government. The power of project delivery is also compromised where Senior Responsible Officers and Project Directors have to deliver the most complex major projects within organisation and governance structures that are not designed for that purpose.

The MPA has begun work to understand the ideal operating environment for major projects so that they can be set up to succeed from the start. One of the first steps in this process will be to enable departments to make informed decisions about their portfolios, aligned to strategy, deliverability, resource implications and co-ordination with other projects. Building on examples already in place, the MPA will help departments to

introduce a benchmarked portfolio management system and roll that out across Government.

One significant element of the work on the operating environment in departments will be effective portfolio management. The MPA will work with departments to ensure that they are able to take prioritised planning and performance management decisions on projects at departmental board level through the introduction of a sophisticated portfolio oversight group model. Once introduced, the aim is two-fold. Firstly, to use departmental-level information to make whole Government project decisions building on the existing reporting through the Government's Major Projects Portfolio; and secondly to drive capability improvements through the Major Projects Leadership Academy, to improve the chances of project success in departments.

Achievements and learning

In the past there has been no systematic means of learning from previous successes and failures at the point of initiation of a new major project. Activities for capturing, storing, evaluating and using lessons learned have been sporadic and frequently introspective. Capturing best practice from other sectors in the UK and international approaches has not been commonplace for major Government projects. Repeating the same critical issues and mistakes in the delivery of major projects is what Government is striving to eradicate.

The MPA now hosts the Olympic Delivery Authority's Learning Legacy website in its current form. The intention is to apply the lessons from the success of the London 2012 Olympic and Paralympic Games to other major projects. Since its creation in 2010, the MPA has introduced new levels of scrutiny and assurance to the London 2012 project and others like it. There are more than 200 complex schemes under way, some even larger than London 2012, each vital to the future prosperity and security of this country.

“The Learning Legacy framework is the embodiment of a new benchmark that has been created in delivering Europe’s largest construction project to the ultimate deadline and within budget. The scale and speed of the co-ordinated UK effort to build the venues and infrastructure is unprecedented and the knowledge and lessons gained during construction will both benefit the industry and act as a catalyst for inward investment.”

John Armitt, Chair of the Olympic Delivery Authority, October 2011

The Learning Legacy site provides a goldmine of knowledge which we must not waste. Our aim is to build on the work of the Olympic Delivery Authority on capturing lessons learned from the major constructions for London 2012 and best practice in the private sector and internationally. The MPA is currently examining options to create a single digital platform for projects best practice which will store lessons learned in a searchable, dynamic, easy to use resource library and shared online space for the project community (managed by the MPA). It will provide an opportunity for the MPA to celebrate success, and combine and share learning from and for the project delivery community, including current and future project leaders, and MPLA cohort participants and alumni.

Case studies about previous Government projects, as well as global private sector projects, will be increasingly used as material for the MPLA. Important outcomes from discussion and engagement at the MPLA will also be captured as part of this work. These findings from both the public and private sector will be disseminated via the CSPLN.

Construction priorities

With construction fully integrated into the Major Projects cluster, the forthcoming priorities for the team will include the publication of:

- The report on the study into the effectiveness of frameworks;
- The Government construction pipeline;
- End of year Project Bank Account funding through public sector contracts; and
- End of year cost reduction savings against a target of £350 million.

Additionally, external events such as Ecobuild and the Government Construction Summit in July will further showcase the progress of the Government Construction Strategy.

Performance framework

As the Public Accounts Committee (PAC) has rightly identified:

“The Authority has much more work but far fewer resources than the part of the Office of Government Commerce it replaced. The creation of the Authority is a very welcome development. With a budget of £6 million and a 40% cut in staffing there are inevitably questions over whether it can achieve the improvements intended. Inevitably, the Authority has to focus on the biggest, most risky projects. This raises the risk that significant problems within lower priority projects in the Authority’s portfolio may be missed. The Authority and HM Treasury should quantify the return on investment from the Authority’s work to identify whether further investment would benefit the taxpayer.”

The Government has commissioned work to identify whether further investment would benefit the taxpayer and quantify the return on investment from the Authority’s work. The MPA has developed a performance framework which will systematise its activities and demonstrate clear links and a better understanding of its work, impact

and value to projects. This work is currently at the design phase in advance of engagement with departments. Additionally, the performance framework will ensure that accounting officers concentrate on responding to projects that experience delivery difficulties. This work will build on existing work streams to introduce better oversight of the portfolio of the Government's most significant projects and their progress to successful delivery.

"The creation of the Authority is a very welcome development."

Public Accounts Committee

Strengthening the MPA

As announced in the 2012 Autumn Statement, the MPA is working with Infrastructure UK to carry out a detailed assessment of Whitehall's ability to deliver infrastructure. This builds on its existing work to increase its commercial expertise to boost the delivery of growth-enhancing infrastructure projects across Government. To improve the pace and delivery of public infrastructure projects the Government announced plans in the Budget to create a central pool of commercial infrastructure specialists who will be deployed across Government. Tough new Infrastructure Capacity Plans are being developed to drive forward progress in key government departments.

We are determined to go further. The PAC has rightly identified the important role the MPA plays in enforcing a tough new assurance regime and raising leadership standards within the Civil Service. Equally, it has recognised the limited resources in which it currently operates, and that this needs to change to realise the full extent of intended improvements. Building on the significant foundations laid by the MPA since its inception, the Government announced in its Autumn Statement 2012 that the MPA would be enhanced. It commissioned Lord Browne to

lead a review to ensure that the structure and operation of the MPA are built to last.

The Lord Browne report was published on 27 March 2013. Lord Browne puts the MPA at the heart of how Government can drive forward further project delivery improvements. In considering how we take forward his recommendations, the MPA's central role, mandate, priorities, operating model and capacity in the enhanced remit will be developed.

Making the right start

As Lord Browne rightly pointed out, we want to set the highest possible standards right through the project. It is essential that projects get off the ground from the best possible footing. We will invest time and resources to ensure that our project assurance processes are consistently and rigorously applied so that risks are raised and managed.

Our work to attract, retain and train the right people with the right skills required for leading and delivering all Government major projects to successful outcomes continues at pace. Having only the best project leaders and project teams in place is crucial to this success.

The MPA will work to empower project leaders to be able to pause failing projects and when necessary, call time or time out on undeliverable projects. We will work with departments to realise this step change, sending the right message and culture from the top down that delivering world-class projects matters.

Learning the best lessons from the private sector, a systematic and full approach to portfolio management will be introduced across departments, with the GMPP at the centre, enabling spend to be prioritised.

The MPA mandate makes it very clear that Starting Gate reviews are an essential part of this process which we will apply consistently. This will ensure that no new project gets the green light without early scrutiny. We will test the deliverability of projects so only those that have a strong chance of success are allowed to proceed, and will work with HM Treasury to ensure that approval is withheld unless a project can start or continue.

Even with these plans in place, by their very nature major projects will always run into problems. But by the same token, as they are high risk and high spending, the MPA is best placed to scrutinise at every level and drive the successful delivery of major projects across Government.

Annex A: Case studies

We are learning from our own lessons to inform improvements on our own projects:

The National Citizen Service

Lead department: Cabinet Office



National Citizen Service

“From taking part in the National Citizen Service project I have become more confident and independent as well as learning many lifelong skills. I would recommend it to others, particularly as there’s much competition for jobs and university places. I feel like this has given me something to put on my CV to help impress employers.”

Feedback from a participant

The National Citizen Service (NCS) is a personal and social development programme for 16 and 17 year olds, a flagship Government initiative implemented by the Prime Minister. NCS aims to promote:

- a more cohesive society by mixing participants from very different backgrounds;
- a more responsible society by supporting the transition into adulthood and the development of essential skills for employment (teamwork, leadership, communication) as well as further education and training; and
- a more engaged society by enabling young people to work together to create social action projects in their local communities.

These core objectives underpin the NCS ethos: “we believe in the power of young people to change the world if only given the tools and opportunity”. The Government aims to make the NCS a rite of passage for every teenager.

The design of the programme

The main programme takes place in the summer and lasts 3 weeks. The first week takes place away from home, with participants taking part in challenging, outward bound activities. The second week is also residential, but back in the local community, often in university halls of residence. During this week participants learn new skills and find out how they can make a difference in their communities. The final part of the programme sees participants develop a social action project of their own to deal with a local issue they're passionate about, and spend 30 hours putting the project into action in their community. This includes Dragon's Den style fundraising sessions.

The statistics and budget

The Cabinet Office delivered pilots for up to 10,000 places in 2011 and up to 30,000 in 2012. During 2013 and 2014 there will be a step change in the delivery of NCS, with up to 50,000 places available in 2013, and the Prime Minister has made a public commitment to offer 90,000 places in 2014. Contracts for 2 years valuing £200 million have now been

assigned for the delivery of the programme for 2013 to 2014. These are with 8 lead providers who will be delivering NCS in 19 regions across England. Some 120 local voluntary and public sector organisations will benefit directly from delivering NCS next year.

The pilots have been rigorously evaluated by an independent consortium led by the National Centre for Social Research. The interim report was published in May 2012, and showed that programme was highly successful in its first year.

Headline findings are:

- For every £1 invested in NCS, the programme delivers up to £2 returns. This is based on the value of social action and improved educational outcomes and does not include many of the societal benefits, such as reductions in antisocial behaviour and increased well-being.
- The most significant impact was on 'work-ready' skills, in particular teamwork, leadership and communication.
- The proportion of young people saying they were planning to continue in education after NCS increased from 27% to 34%.
- 95% of young people reported that NCS gave them the chance to develop useful skills for the future.
- 85% of participants said that NCS had made them aware of more education or employment opportunities.
- 77% of participants said that following NCS they were more likely to help out locally.
- Over 90% of participants agreed that NCS had given them the chance to know people they wouldn't normally mix with.

Feedback from those involved so far

Overall, media coverage has been very positive. Anecdotal feedback from participants, staff and parents has been overwhelmingly positive.

What has gone well on the project?

Following the Gateway™ Review 0 and Starting Gate in April 2012, and lessons learned from the 2011 to 2012 pilots, the programme has made some changes to the management of the programme and the format of the delivery.

2014 to 2015 delivery: business case – in compliance with Cabinet Office procurement, this supported the successful award of 2 year contracts to providers following an open competition.

Programme Office

The NCS programme now has a fully dedicated Programme Management Office, headed up by a PRINCE2 qualified programme manager. A full suite of programme plans are now in place, which provide a 3 tier view of key milestones from the high level road map to individual workstream/project plans and detailed activity plans. The Programme Office also controls weekly, monthly and quarterly reporting as well as the weekly management of risk and issues, finance, stakeholder engagement, governance (including board secretariat) and document retention.

Team skills and specialist resource

In addition to the set-up of a formal programme management office, the programme has attracted a range of skills and expertise to management the development and delivery of the two key business cases outlined above, specifically commercial, procurement, legal and economic expertise to support the 2013 delivery and the IMB set-up workstreams.

What has the department learned and taken forward as a result of MPA assurance?

The MPA has been instrumental in supporting the NCS programme leaders and the SRO by helping to:

- define the NCS programme as a priority programme;
- set up a process of activity reviews, commencing with the Starting Gate Review in April 2012;
- address the Starting Gate recommendations – particularly in establishing the new Programme Office and development of the associated programme management processes; and
- streamline the reporting requirements to remove duplication and unnecessary burden on the team.

What value has the MPA added?

The MPA has continually supported the NCS programme with planning, co-ordination and provision of assurance activities as the programme expanded during 2012. More recently it has been invaluable with support and advice and with assurance around the appropriate timing and alignment of decision-making to inform business case approvals by the Cabinet Office and HM Treasury.

Overall, this has given senior Cabinet Office directors and the Accounting Officers greater assurance that controls around the programme's delivery and risk management are robust, transparent and effectively managed.

Our assurance moves projects on to deliver better project outcomes:

The Francis Crick Institute

Lead department: Department for Business, Innovation and Skills



Creating some biomedical cultures

This programme is constructing The Francis Crick Institute ('The Crick') which, when completed and in operation, will become a world leading centre of biomedical research and innovation. The Crick is a joint venture between the UK's largest biomedical research and academic institutions: the Medical Research Council, Cancer Research UK, The Wellcome Trust, University College London, Imperial College London and King's College London. Employing 1,500 staff, of which 1,250 will be scientists, and with an operating budget of over £100 million, The Crick will, on completion in 2015, provide a capability with the scale, vision and scientific expertise that competes with major new overseas developments.

The design of the building, next to St Pancras station in central London, is unique in bringing together scientific research facilities in a constrained urban environment. This location has demanded a sensitive approach to both the design and the construction of the building.

In bringing together a breadth of world class science, The Crick aims to sustain the UK's position as a leader in biomedical research and to engage in some of the most challenging scientific research questions facing the world today, such as the treatment of cancer, heart disease, diabetes and neurological disorders. At the same time, The Crick will provide an excellent training environment for biomedical researchers.

What has gone well on the project?

The construction on the programme has successfully kept to both time and budget, despite the volatile economic environment. This has been in the main due to efficient cost planning, with the responsibility shared with the contractor. This collaborative approach has produced a good partnership between The Crick and the contractor that has certainly helped to maintain momentum.

What value has the MPA added?

While reviewing the programme the MPA found many examples of good practice in respect of the way that the construction has been carried out and it is intended that the lessons learned can be shared and used across other Government projects.

The MPA, and its predecessor the Office of Government Commerce, have undertaken six reviews of The Crick since 2006, and during this time the recommendations provided by these reviews have helped to improve the planning of an all-embracing change programme, alongside the construction programme, to ensure the high level strategic economic, health and social benefits that are important to the UK as a whole can be realised.

The MPA acts as a critical friend by asking challenging questions:

The UK Green Investment Bank

Lead department: Department for Business, Innovation and Skills (BIS)



The Government is determined to set the UK firmly on course towards a green and growing economy. The UK Green Investment Bank (GIB) is a key component of this transition. The Bank's mission is to provide financial solutions to accelerate private sector investment in the UK's transition to a green economy. It works toward a 'double bottom line' of achieving both significant green impact and sound financial returns. The Bank is funded with £3 billion from the Government to the end of the financial year 2014 to 2015.

The first bank of its kind in the world, it became commercially operational in October 2012, with headquarters in Edinburgh and a London office, and was formally launched by the Business Secretary in November 2012. The Bank has committed £635 million to date across a number of green sectors such as offshore wind and waste. These transactions include:

- £80 million allocated to two fund managers, Foresight Group (£50 million) and Greensphere Capital (£30 million), to invest in smaller waste projects.

- £100 million allocated to two fund managers, Equitix (£50 million) and Sustainable Capital Development Limited (£50 million), to invest in smaller non-domestic energy efficiency projects.
- £45.6 million of senior debt to Walney offshore wind farm, located off Cumbria.
- £100 million of senior debt to Drax power station in Selby to convert units from coal to biomass.
- £30.4 million of senior debt to finance the construction of a waste treatment plant at Wakefield, Yorkshire.

What has gone well on the project?

- Strong leadership and strategic direction within BIS.
- A pragmatic project management approach, which effectively led to delivery on time and to specification. The roles and responsibilities within BIS's policy team were clearly defined, and team members had previous experience of the areas they led on.
- The GIB achieved state aid approval in 17 months from first engagement with the European Commission, with the Commission not opening an investigation. As this was a complicated case, this was a great achievement.

“I am grateful to the GIB team here in BIS, who proved that an ambitious project such as this could be delivered to time, despite challenging policy and operational issues, through their commitment and expertise.”

Mark Russell, outgoing SRO

What has the department learned and taken forward as a result of MPA assurance?

- The pre-launch review in June 2012 was especially helpful in providing assurance and identifying areas to concentrate on for the final months of the project, in particular meeting the

'criteria for success' which formed a fundamental part of the MPA process.

- More generally, MPA assurance has highlighted the importance of strengthening internal governance, for example establishing stronger project delivery mechanisms.
- There should be a greater emphasis on defining benefits and monitoring plans.

What value has the MPA added?

The MPA has played the valuable role of critical friend to the GIB project, by independently asking challenging questions and adding informed insights at pivotal stages of its lifecycle.

"I would like to thank David Pitchford, and his team, for their thoroughness throughout the assurance processes. It is commendable how quickly he and his team have built up their understanding of the project's dynamics and were able to offer incisive advice at each stage."

Mark Russell, outgoing SRO

Ensuring best risk and change management practice:

The Digital TV Switchover Programme (DSO)

Lead department: Department for Culture, Media and Sport



The Crystal Palace transmitter following Digital Switchover in London

The goal of the programme was to switch TV in the UK to digital by October 2012 in a way that made it a simple and positive experience for viewers, and to provide switchover assistance to older and disabled people. DSO has brought digital terrestrial TV to nearly all households for the first time, increasing the choice of affordable digital TV options. Digital transmission is also a more efficient way to transmit TV signals, and frees up valuable radio spectrum that can be used for new services such as super-fast mobile broadband (4G) or more TV channels.

The programme at June 2012 was successful in meeting the timetable and the agreed critical success factors, and was on track to deliver significant savings, with:

- more than 1,154 transmitter sites re-engineered consumer communications helping to achieve very high levels of awareness;
- the successful governance of a highly complex programme based on a partnership of Digital UK (a not-for-profit company established specifically to co-ordinate the delivery), Government, Ofcom and the BBC;
- the successful engagement of an exceptionally diverse range of stakeholders, from charities to industry, as a result of intensive preparation;
- support for all viewers, with the BBC Switchover Help Scheme providing practical help to convert one TV to digital for 75s and over, those in a care home or those who are blind or partially sighted; and
- a common understanding of the programme's aim and concerns among all the partners and stakeholders.

What has the department learned and taken forward as a result of

MPA assurance?

- Effective and sustained implementation of best programme management practice was recognised by the MPA as 'rigorous with risk and issues identified and regularly reviewed'.
- Shorter, more targeted communications campaigns worked well.
- Local campaigns with community engagement were effective.

What value has the MPA added?

- From 2002 regular Gateway™ Review 0s have provided the necessary assurance to Government that the programme objectives were still valid, planning and delivery were on track and complacency did not set in.
- The MPA played a mentoring role in helping to develop the unique shared style of governance of the programme.
- Its recommendations, fully implemented, included more ministerial engagement and a formally recognised ‘critical friend’ to the programme.
- The MPA emphasis on good practice, both operational and strategic, in 2005 and 2007 led to stronger processes, including risk and issue management, and enhanced change controls.
- The MPA’s consistent support for the ‘single delivery’ model helped to ensure that the programme was never diverted from the objectives it was established to deliver.

The Governments Major Projects Portfolio includes some of the biggest infrastructure projects:

Thameslink Programme

Lead department: Department for Transport



Blackfriars Station

The Thameslink Programme is a £6.2 billion project making fundamental, far-reaching changes to transport in London and the South East of England. It aims to provide an enhanced mainline rail service to the existing route running north-south through London from Bedford to Brighton, by improving capacity via new, more frequent and longer trains and big improvements to central London stations by 2018.

The programme seeks to reduce overcrowding on the current Thameslink service and on other commuter services, including the London Underground. It will also help the flow of passengers between mainline and Underground train services and provide for the introduction of new cross-London services.

Passenger benefits from the infrastructure investment have already materialised with the opening of a modernised station at Blackfriars in December 2011. This is the first London station to span the Thames, with a new entrance on the south bank of the river. Farringdon station has also been upgraded to become a modern, spacious station, with a new ticket hall for Thameslink and, in the future, Crossrail services. Twelve carriage trains have been put into service and are already running on part of the route, enhancing capacity significantly.

What went well?

- Rigorous cost control of infrastructure works achieving delivery of the first phase of works, including Blackfriars and Farringdon stations, within budget.
- On time delivery of the two primary first phase infrastructure milestones – 12 car operations in December 2011 and a new timetable in May 2013.

What value has the MPA added?

- MPA has provided the necessary assurance to Government that the programme objectives were still valid, planning and delivery were on track and rigorous cost control was maintained.
- The MPA played a supporting role in helping to develop the cross-industry and cross-departmental governance required by this complex programme.
- The MPA emphasis on good practice, both operational and strategic, have led to stronger processes, including enhanced risk and issue management, and change controls.

Annex B: The Government's Major Projects Portfolio. Quarter 2, 2012 to 2013

Delivery Body	Project
Department for Business, Innovation and Skills (BIS)	BIS Shared Services
BIS	Business Improvement Programme
BIS	Core Systems Replacement
BIS	Further Education Fee Loans Programme

Delivery Body	Project
BIS	Further Education Capital Investment Programme
BIS	Higher Education Reform Programme
BIS	Student Loans Monetisation Feasibility Study
BIS	Technology and Innovation Centres
BIS	The Francis Crick Institute (formerly the UK Centre for Medical Research and Innovation)

Delivery Body	Project
BIS	UK Green Investment Bank
Cabinet Office (CO)	Electoral Registration Transformation Programme
CO	G-Cloud Programme (covers data centre consolidation and application store)
CO	Public Services Network Programme
CO	National Cyber Security Programme
CO	National Citizen Service

Delivery Body	Project
Department for Communities and Local Government (DCLG)	Enterprise Zones Programme
DCLG	Housing Investment and Regulatory Reform Programme
DCLG	ICT Desktop Refresh
DCLG	Reform of the Audit Commission
Department for Culture, Media & Sport (DCMS)	World Conservation and Exhibitions Centre

Delivery Body	Project
DCMS	Broadband Delivery Programme
DCMS	Mobile Infrastructure Project
DCMS	Spectrum Clearance and Awards Programme
DCMS	The Tate Modern Project
DCMS	Urban Broadband Fund super-connected city initiative
Department of Energy & Climate Change	Green Deal

Delivery Body	Project
(DECC)	
DECC	Carbon Capture and Storage Programme
DECC	Dounreay Parent Body Organisation
DECC	Electricity Market Reform Programme
DECC	Final Investment Decision Enabling Project
DECC	Geological Disposal Facility Programme

Delivery Body	Project
DECC	Magnox and Research Sites Restoration Ltd Parent Body Organisation Competition
DECC	New Nuclear Programme
DECC	Plutonium Management
DECC	Renewable Heat Incentive
DECC	Smart Meters Programme
DECC	URENCO (a uranium enrichment company) Future Options

Delivery Body	Project
Department for Environment, Food & Rural Affairs (Defra)	Covent Garden Market Authority Redevelopment Project
Defra	New Waterways Charity
Defra	Rural Payments Agency Future Options Programme
Defra	Thames Estuary 2100 Plan
Department for Education (DfE)	Building Schools for the Future

Delivery Body	Project
DfE	Priority School Building Programme
Department For International Development (DFID)	St Helena Airport
Department for Transport (DfT)	Crossrail
DfT	DVLA ICT Contract Procurement
DfT	Great Western Refranchising
DfT	High Speed Rail Programme

Delivery Body	Project
DfT	Intercity Express Programme
DfT	Olympics Transport Programme
DfT	M25 Design, Build, Finance and Operate
DfT	Managed Motorways
DfT	Periodic Review 2013 (High Level Output Specification: what the Secretary of State wants to be achieved by railway activities)
DfT	Rail Refranchising Management Programme East Coast

Delivery Body	Project
DfT	Rail Refranchising Management Programme Greater Anglia Long
DfT	Rail Refranchising Management Programme Greater Anglia Short
DfT	Rail Refranchising Management Programme West Coast
DfT	Search and Rescue Helicopters
DfT	Shared Services Futures Project
DfT	Thameslink

Delivery Body	Project
DfT	Thameslink, Southern and Great Northern Refranchising Project
Department of Health (DH)	Brighton & Sussex University Hospitals NHS Trust (3Ts Programme the development of a leading teaching, trauma and tertiary care centre)
DH	Broadmoor Redevelopment Programme
DH	Choose and Book Variation
DH	E & N Herts NHS Trust Local Improvement Finance Trust (LIFT) Scheme new QEII hospital in Welwyn Garden City

Delivery Body	Project
DH	E & N Herts NHS Trust Lister Hospital ('Our Changing Hospitals' Phase 4 Programme)
DH	Electronic Transmission of Prescriptions
DH	Health and Care Modernisation Transition Programme
DH	HPA Chrysalis (redevelopment of the Health Protection Agency laboratories)
DH	IMS3 (procurement to provide next generation of agile ICT services)

Delivery Body	Project
DH	London Programme for IT
DH	Mersey Care NHS LIFT scheme (To Improve Mental Health Environments)
DH	N3 (National IT Network for the NHS) Extension
DH	NHSmail Service Refresh
DH	NME (North, Midlands and East) Programme for IT
DH	Royal National Orthopaedic Hospital NHS

Delivery Body	Project
	Trust Private Finance Initiative (PFI) Project
DH	Private Finance Initiative (PFI) Royal Liverpool and Broadgreen ('World Class Hospitals, World Class Services Renewing the Royal Liverpool University Hospital')
DH	Pandemic Vaccine Sleeping Contract
DH	Pre-Pandemic Vaccine
DH	Sandwell & West Birmingham Hospitals NHS Trust the Midland Metropolitan Hospital Project

Delivery Body	Project
DH	Summary Care Record
DH	Southern Programme for IT
Department for Work and Pensions (DWP)	Benefit Cap
DWP	Central Payment System
DWP	Child Maintenance Group Change
DWP	Fraud and Error Programme

Delivery Body	Project
DWP	Incapacity Benefit Reassessment
DWP	Personal Independence Payment Implementation
DWP	Specialist Disability Employment Programme
DWP	State Pension Reform Single Tier
DWP	Universal Credit Programme
DWP	Work Programme

Delivery Body	Project
DWP	Youth Contract
Foreign & Commonwealth Office (FCO)	Abuja: New Office and Residence
FCO	Echo (global network for voice and data services)
FCO	Jakarta: New Embassy
FCO	Prism and Firecrest Re-procurement Programme

Delivery Body	Project
FCO	Tel Aviv: Embassy Upgrade
FCO	UK Estates Reform Programme
HM Revenue & Customs (HMRC)	Debt Management and Banking Staff Reinvestment
HMRC	Electronic Exchange of Social Security Information Programme
HMRC	Expanding the use of Debt Collection Agencies
HMRC	One Click (bringing tax services online)

Delivery Body	Project
HMRC	Open Cases Programme
HMRC	Organised Crime
HMRC	PAYE Real Time Information
HMRC	Volume Crime
HMRC	Wider Coverage Project
HM Treasury	Equitable Life Payment Scheme

Delivery Body	Project
HM Treasury	Project OSCAR (replacement of financial reporting system)
Home Office (HO)	Catalyst (integrated physical infrastructure)
HO	College of Policing Project (formerly Police Professional Body Project)
HO	Commercial and Operating Managers Procuring Asylum Support Services (COMPASS)
HO	Communications Capabilities Development Programme

Delivery Body	Project
HO	eBorders
HO	Emergency Services Mobile Communications Programme
HO	Escorting and Travel
HO	Extend and Blend
HO	Harmondsworth and Colnbrook Re-tender
HO	Immigration and Asylum Biometric System

Delivery Body	Project
HO	Immigration Case Work
HO	IMPACT (information sharing and intelligence capability)
HO	Information Systems and Operating Technology Programme (replacement of multiple contracts with one)
HO	National Crime Agency
HO	New Passport Programme
HO	Next Generation Outsourced Visa Services

Delivery Body	Project
	Contract
HO	Police ICT Company Programme
HO	SIG Disclosure and Barring Programme (formerly Convergence Programme)
HO	SIS II Programme
HO	Transforming the Customer Experience (formerly A&E)
Ministry of Defence (MOD)	Astute Boats 17

Delivery Body	Project
MOD	Airseeker (airborne electronic surveillance capability)
MOD	Beyond Visual Range Air-to-Air Missile (Meteor)
MOD	BORONA Programme (closure of Rhine Garrison and Munster Station)
MOD	Chinook (including Project Julius)
MOD	CIPHER (management infrastructure for security devices)

Delivery Body	Project
MOD	Complex Weapons
MOD	Core Production Capability
MOD	Corporate Services Transformation Programme
MOD	Crowsnest Programme (successor capability to Sea King Mk 7 aircraft)
MOD	Defence Information Infrastructure
MOD	Defence Infrastructure Transformation Programme

Delivery Body	Project
MOD	Defence Core Network Services
MOD	End Crypto Units
MOD	Falcon 02 (Increments A and C amalgamated at 1/4/11) (secure communications system)
MOD	Future Reserves 2020
MOD	Joint Combat Aircraft
MOD	Logistics Commodities Services Transformation

Delivery Body	Project
MOD	Merlin Capability Sustainment Programme
MOD	Military Afloat Reach and Sustainability
MOD	New Employment Model
MOD	Nuclear Warhead Capability Sustainment Programme
MOD	QEC Aircraft Carriers
MOD	Project Marshall (delivery and support of air traffic management equipment)

Delivery Body	Project
MOD	Puma Helicopter Life Extension Programme
MOD	Spearfish Upgrade
MOD	Specialist Vehicles Recce Block 1
MOD	Submarine Enterprise Performance Programme
MOD	Successor SSBN (maintenance of continuous at-sea deterrence)
MOD	Typhoon (combat aircraft)

Delivery Body	Project
MOD	Type 26 Global Combat Ship
MOD	Type 45 Destroyers
MOD	Warrior Capability Sustainment Programme
MOD	WATCHKEEPER (intelligence, surveillance, target acquisition and reconnaissance capability)
MOD	Wildcat (successor to Lynx helicopter)
MOD	A400M (military transport aircraft)

Delivery Body	Project
Ministry of Justice (MOJ)	Capacity Management Portfolio
MOJ	Community Payback
MOJ	Court Estates Reform
MOJ	Court Fines Compliance and Enforcement Project
MOJ	Electronic Monitoring
MOJ	Future IT Sourcing Programme

Delivery Body	Project
MOJ	Integrated Delivery Programme
MOJ	Legal Aid Reform Implementation
MOJ	MOJ Shared Services
MOJ	National Offender Management Information Systems Programme
MOJ	National Offender Management Service Organisational Restructure Programme
MOJ	Payment by Results Pilot Programme

Delivery Body	Project
MOJ	Prison Competitions Phase One
MOJ	Prison Competitions Phase Two
MOJ	Prison Escort and Custody Services Re-competition
MOJ	Property Services and Works
MOJ	Quantum Re-compete Project
MOJ	Secure Training Centre Re-tendering Programme

Delivery Body	Project
National Savings and Investment (NS&I)	Yoda Project (Outsourced Services Re-tender Project)
Office for National Statistics (ONS)	Beyond 2011 Programme
ONS	Electronic Data Collection
ONS	European Systems of Accounting 2010
ONS	Web Data Access Project
ONS	2011 Census

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Cabinet Office
25 Great Smith Street
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Publication date: 24 May 2013

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