



Meg Hillier MP
Chair of Public Accounts Committee
House of Commons
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Dear Ms Hillier,

Accounting Officer Assessment: NS&I Rainbow Programme

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament when an Accounting Officer has agreed an assessment of projects within the Government's Major Projects Portfolio. NS&I's Rainbow Programme is one such project.

Background

National Savings and Investments (NS&I) is embarking on a re-procurement of its outsourced business process services, the 'Rainbow Programme'.

This is a mandatory procurement event that must take place by March 2024, it also presents an opportunity for NS&I to transform its operating model with the following key aims:

1. Measurably reduce the costs of running the business
2. Become a self-service digital business with support for the vulnerable and excluded
3. Deliver more nimbly, reduce risk and enhance scalability

This transformed operating model will ensure that NS&I can deliver its core remit sustainably for Government into the future.

This Accounting Officer assessment has been undertaken by Ian Ackerley, NS&I Chief Executive at Outline Business Case stage, which was submitted to HM Treasury for approval on 6 October 2020.

This Accounting Officer assessment considers the four accounting officer standards of regularity, propriety, value for money and feasibility.

Regularity

NS&I is both a government department and an Executive Agency of the Chancellor of the Exchequer. It is responsible for raising cost-effective financing for government by issuing and selling retail savings and investment products to the public. The National Debt Act 1972 and National Savings Bank Act 1971 detail

the existence of NS&I and set out my authority, as Director of Savings, for carrying out the business of NS&I.

NS&I outsourced its entire customer facing and back office operations in 1999, first to Siemens and subsequently to Atos. The Rainbow Programme relates to the re-procurement of NS&I's outsourced business process services.

Expenditure on the Rainbow Programme falls within the ambit of NS&I's Estimate, namely:

Cost of delivery of National Savings and Investments operations, and leveraged activities with other bodies including administration, operational research and development works, other payments and non-cash items.

Summary: No issues of regularity arise.

Propriety

The Rainbow Programme is compliant with parliamentary control procedures and expectations. The Rainbow Programme forms part of the Government Major Projects Portfolio (GMPP) and will continue to engage with the Infrastructure and Projects Authority (IPA), Cabinet Office Complex Transactions Team and Crown Commercial Service to ensure it follows best practice.

The assessments undertaken in support of the Rainbow Outline Business Case align with relevant Government legislation, regulations and guidance including the Public Contracts Regulations (PCR) 2015, Government Legal Services (GLS) Model Services Contract (MSC), Government Digital Service (GDS) Technology Code of Practice, Crown Commercial Services (CCS) Balanced Scorecard, and Government Commercial Function's (GCF) Outsourcing Playbook.

Summary: No issues of propriety arise.

Value for Money

In line with the HM Treasury Green Book, critical success factors and appraisal of the key options have taken place, including a 'do nothing' option. The preferred option offers the highest potential to meet critical success factors, manage business and transformation risk and provide best value for money. All contracts awarded will be subject to competitive tendering making use of existing frameworks, where applicable. The costs and benefits of the programme will be measured and assessed against the expectations set in the approved Outline Business Case. It is recognised that given the significant change from the current delivery approach, there are uncertainties around some of the figures in the quantitative assessment but, even taking these into account, the analysis indicates the Rainbow Programme will achieve good value for money that represents sound use of public funds.

Summary: There are no significant concerns regarding value for money of the Rainbow programme.

Feasibility

There are significant delivery challenges and risks associated with a complex redesign and procurement of the business. However, the programme has successfully obtained approval of the Strategic Outline Business Case and Outline Business Case, including the phased procurement and transition over an extended period to assist with risk management and mitigation.

In addition, the programme has been subject to assurance reviews by the Infrastructure and Projects Authority (IPA). The programme received an Amber rating from the IPA Gateway 2 assessment. The assessment panel recommended the programme focus on mitigating a key risk around securing the necessary human resources to deliver the programme successfully. These actions are being progressed in line with the approval of the Outline Business Case.

The programme leadership, supported by delivery partners, has the skills and experience needed to ensure the technical feasibility of the project deliverables and achieve the major milestones in the timeframe.

Summary: There are no significant concerns regarding feasibility of the programme.

Conclusion

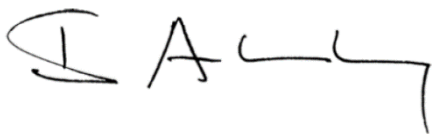
I have considered this assessment of the Rainbow Programme against the four accounting officer standards of regularity, propriety, value for money and feasibility. I am satisfied that the Rainbow Programme has the legal powers, meets the standards in Managing Public Money and the requirements of the Green Book. I am therefore satisfied that the Rainbow Programme represents good use of public resources.

As the accounting officer for NS&I I considered the regularity, propriety, value for money and feasibility of the Rainbow Programme alongside my approval of the Outline Business Case on 6 October 2020. The delay publishing this assessment has been because of the commercial sensitivities of the preferred option necessitating the need for confidentiality until the approval of the Outline Business Case by HM Treasury Ministers.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them.

This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'I Ackerley', with a stylized flourish at the end.

Ian Ackerley
Chief Executive
National Savings and Investments (NS&I)