



Concept Symposium 2018

Governing Megaprojects – Why, What and How

Insights from the British Government's Major Projects Portfolio (GMPP)

The British Government's Major Project's Portfolio (GMP) comprises the c150 largest and most complex projects being delivered across Britain. Collectively the GMPP has a whole life cost value of c£450bn and spans military, infrastructure, ICT and transformation projects.

The presentation will cover some of the key insights from the portfolio around costs, benefits realisation, benefits management, lessons learnt and how these can be fed into a more effective project delivery system in the future.



Tom Tolfree

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The Concept Symposia on Project Governance

The Norwegian Ministry of Finance and the Concept Research Program hosts every second year a symposium on project Governance. Project governance, in brief, is concerned about investments and their outcome and long-term effects. In view of the problem at hand, the aim is to ensure that the best conceptual solution is chosen, that resources are used efficiently and anticipated effects realized. Resource persons from ministries, governmental agencies, academia, international organizations, and industry are invited. In order to facilitate professional exchange and direct communication between participants, the number of individuals is restricted. The aim is to initiate further international cooperation and research on important issues related to project governance.

<https://www.ntnu.edu/concept/concept-symposium>



Infrastructure
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Insights from the British Government's Major Projects Portfolio (GMPP)

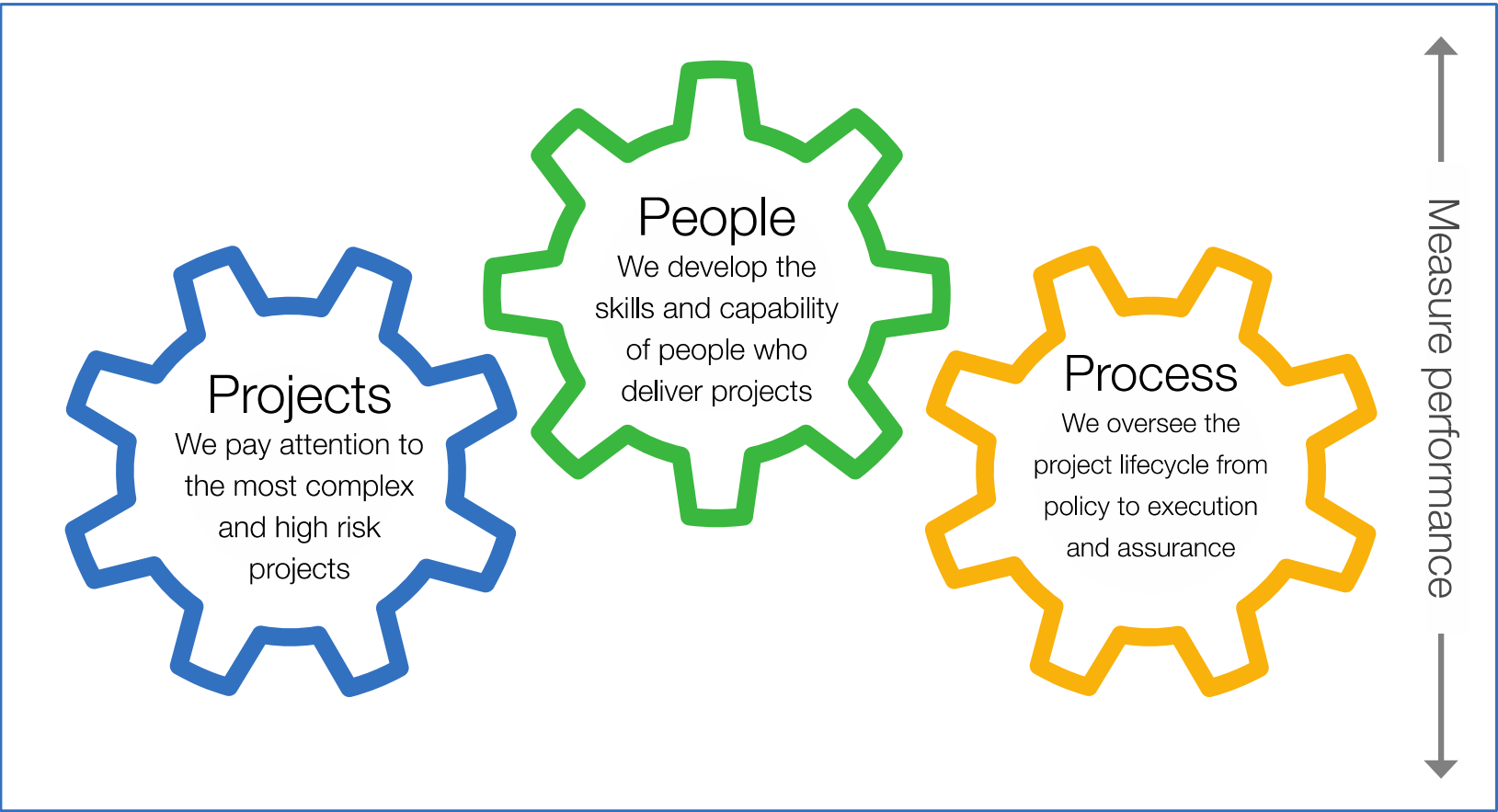


Tom Tolfree, Chief Analyst / Economist



What we do

Project delivery system



The right environment for successful delivery



Our priorities

Setting up projects for success

Success or failure of a project is often determined by how it is set up. We help set up projects for success by influencing the policy environment, deploying our expertise as early possible, developing tools and standards to ensure realistic project objectives are established at the outset and helping projects access the resources they need.



Creating market confidence

We need a confident private sector to help deliver and invest in infrastructure and major projects. We create confidence by providing foresight and transparency on the future pipeline of projects, establishing financial policies and products to support private investment and ensuring government priorities are consistent and clear so the market can plan.



Building delivery capability

Great project leaders deliver great projects. We develop project leadership in government and build delivery capability by providing world class leadership programmes, developing career pathways, leading the project delivery and project finance professions and developing government to act as an exemplary client.



Measuring and improving performance

We do all we can to help infrastructure and major projects deliver their intended benefits for society and provide value for money for the taxpayer. We seek to measure the performance of projects over time, to understand what is necessary to improve performance of the system and adjust the system accordingly.



The GMPP is the Government's Major Project Portfolio, comprising c135 of the Government's biggest projects

Criteria for Entering GMPP

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



GMPP Spans 4 Main Categories



Transformation

HM Courts & Tribunals Service Reform is an ambitious £1 billion programme that brings new technology and modern ways of working to the courts system, making access to justice easier for the public and legal professionals.



ICT

The **Columbus** Programme manages the exit from the Government's largest prime supplier IT contract, transforms HMRC's ICT Operating Model and saves taxpayers' money on the cost of IT delivery without disrupting the quality of service.



Infrastructure and Construction

East West Rail will reinstate a rail connection between Oxford and Cambridge, via Milton Keynes. Together with the Expressway road development, it will deliver infrastructure to maximise growth and boost housing development.



Military Capability

The **Wildcat** programme provides 62 helicopters to the British Army and Royal Navy with enhanced reconnaissance, anti-submarine and counter-piracy capabilities, alongside transportation of troops and force protection capabilities.

Projects to the value of c£425bn sit on the GMPP, with infrastructure & construction the largest project category

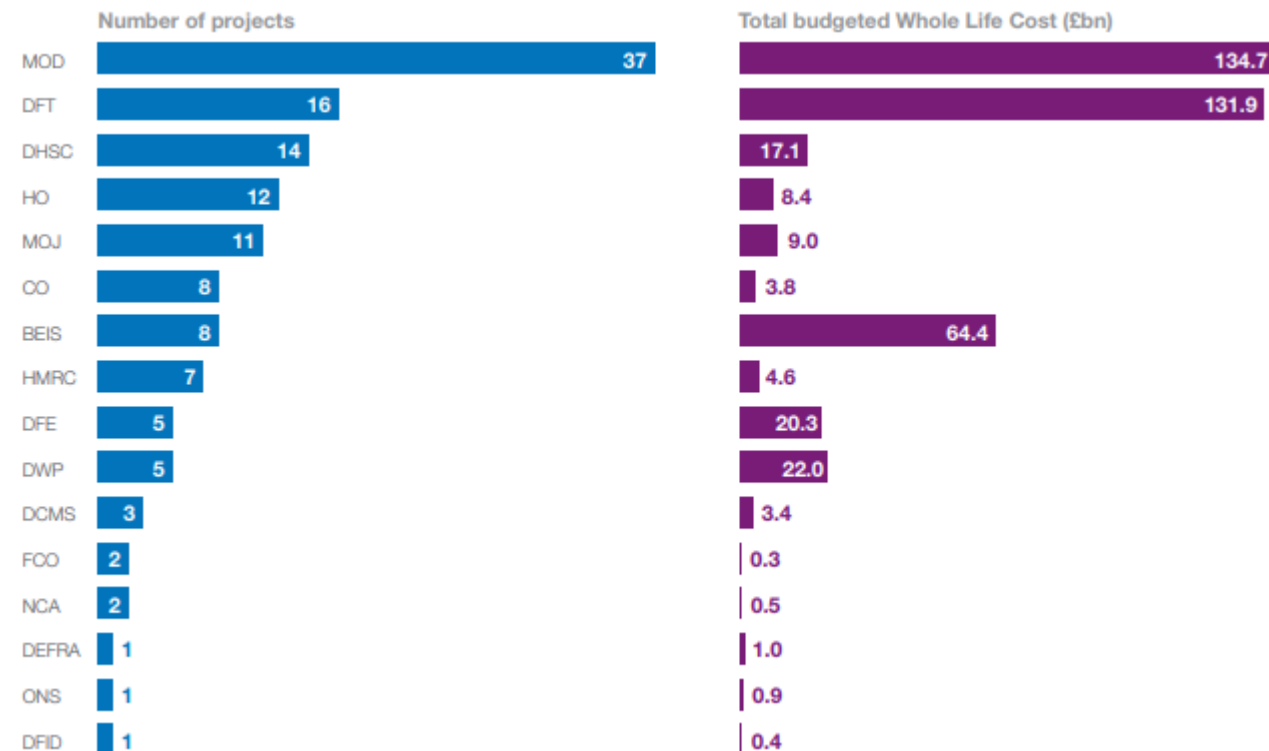
GMPP In Numbers (AR 2108)

	Government Major Projects Portfolio	133 projects	£423bn Whole Life Cost	£27bn budget 2017-18
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This comprises:

	Transformation and Service Delivery	41 projects	£83bn Whole Life Cost
	Information and Communications Technology (ICT)	29 projects	£10bn Whole Life Cost
	Infrastructure and Construction	31 projects	£196bn Whole Life Cost
	Military Capability	32 projects	£134bn Whole Life Cost

GMPP Breakdown By British Government Department





Delivery confidence has deteriorated, driven by changes in the military and infrastructure portfolios

GMPP provides access to greater levels of support, such as independent expert assurance reviews, addressing risks and improving the probability of success.

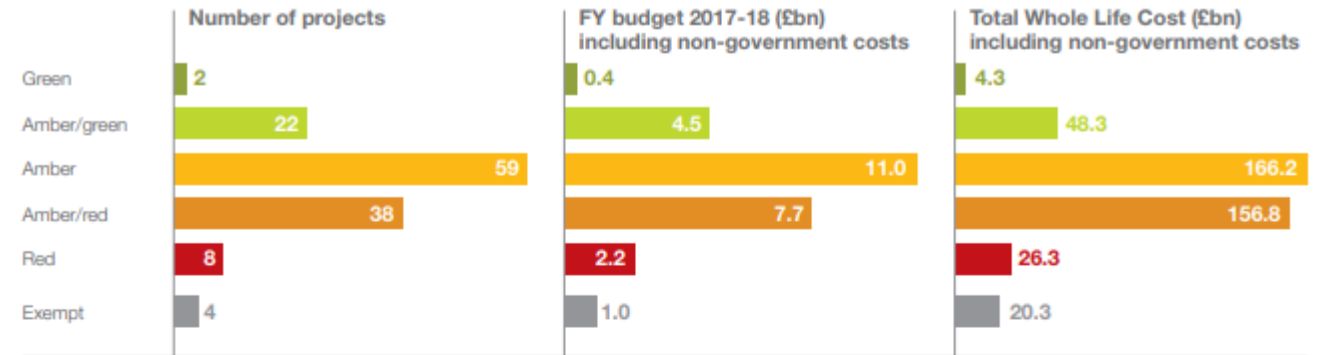


Figure 10: DCA analysis AR 2013-2018

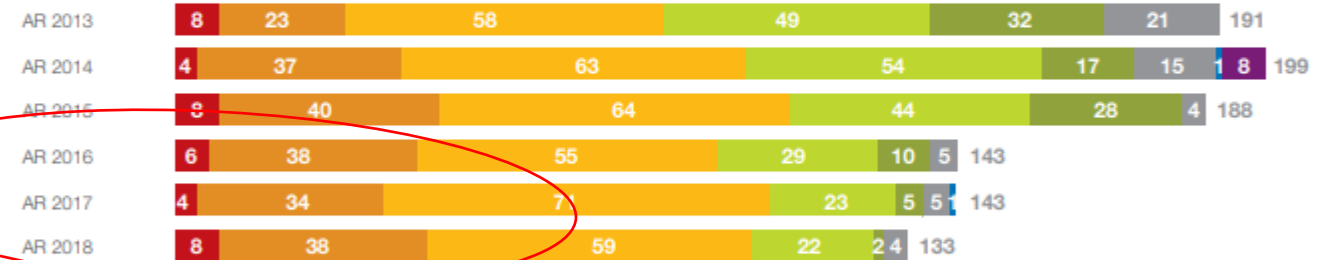


Figure 11: DCAs by project category



Red Amber/red Amber Amber/green Green Exempt Reset No DCA

Overall, signs of increasing challenges in the delivery of major projects.

Despite their size, most projects tend to move through the GMPP over a roughly two year cycle

Criteria For Exiting GMPP

Project is / has delivered against original objectives and has closed, or implementation being managed by Department.

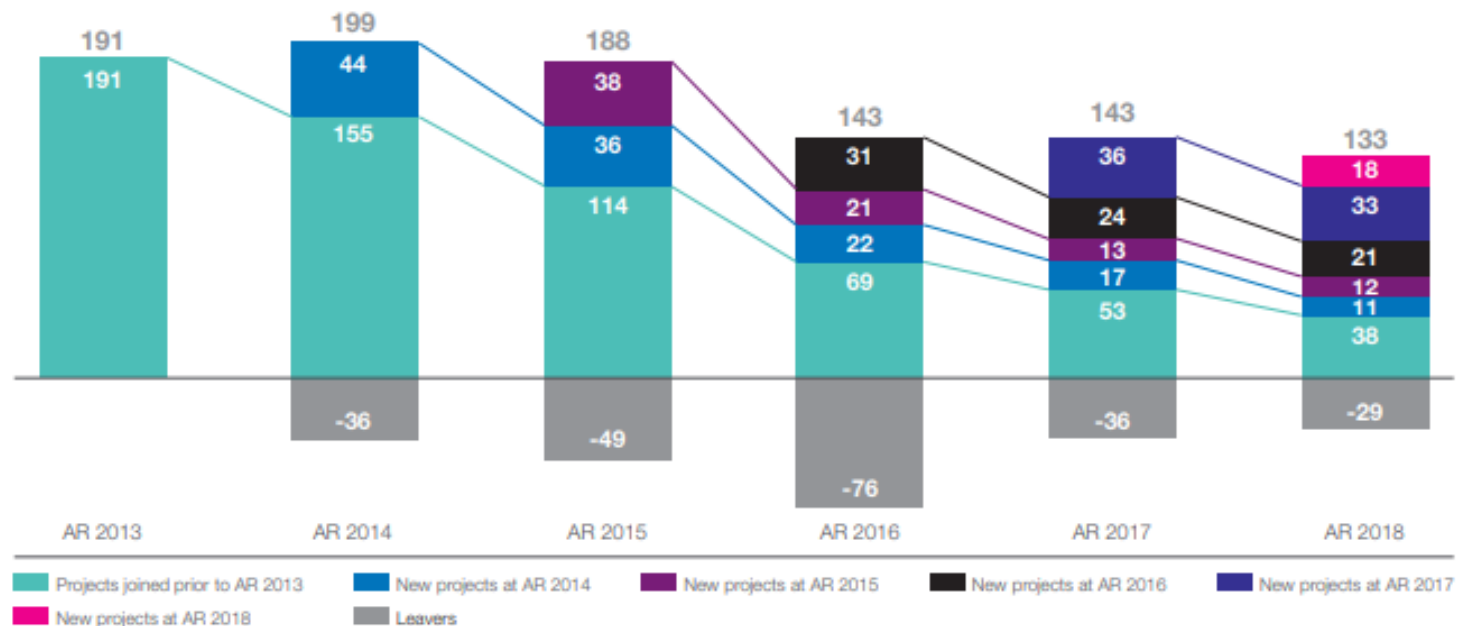
Project is / has delivered following reshape or reduction to original objectives and has closed, or is being managed by Department.

Project no longer meets GMPP criteria for major project, but continues under assurance of the Department or external third party.

Project is stopped or is brought to an early close.

Project has merged or has been replaced by another project.

GMPP Churn (Average Time on GMPP c24 to 36 months)



AR 2018 joiners and leavers do not take into account PSBP project, which has disaggregated into two GMPP projects.

Once a project has reached the point of likely delivery and is suitably mature in its lifecycle, it would then be in a position to be considered ready to exit the GMPP.

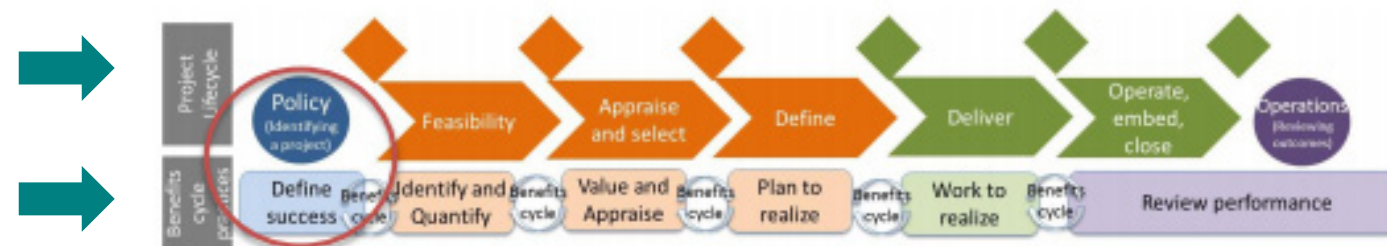


Effective benefits management is needed throughout the project lifecycle....

Guide for Effective Benefits Management in Major Projects

Key benefits management principles and activities for major projects

October 2017



Common Mistakes

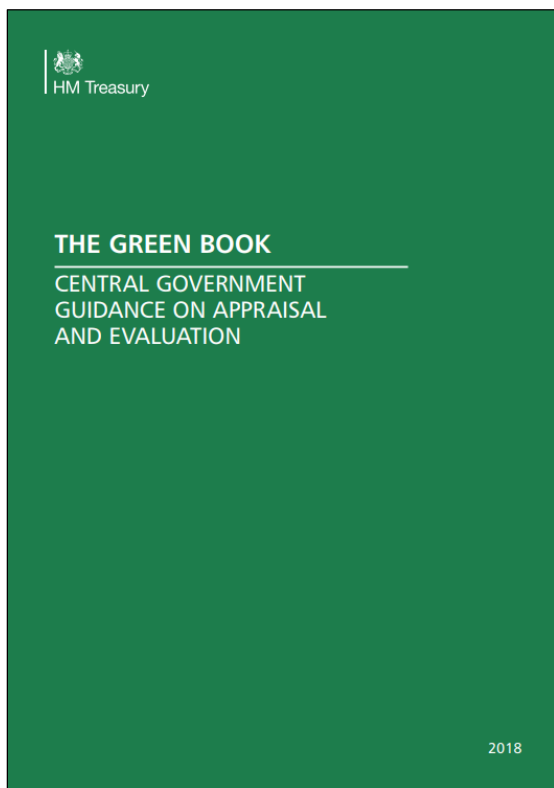
1. Project teams and stakeholders overly optimistic about benefits.
2. Solution has been decided before benefits identified.
3. Benefits management seen as bureaucratic and time consuming.
4. Project is not scoped to deliver outputs needed to realise the benefits.
5. Not engaging with stakeholders enough.
6. Benefits realised after project has closed leading to difficulties collecting results.
7. Benefits are difficult to measure and lack of benefits management data / poor quality data.

Common Mitigations

1. Use sensitivity analysis and apply optimism bias to benefits and costs during initiation.
2. Consider alternative options and use cost benefit analysis to ensure solution delivers best value.
3. Integrate benefits management into other project management activities, so not separate.
4. Prioritise benefits based on stakeholder need.
5. Use a benefits map to communicate with stakeholders.
6. Involve business as usual in benefits management activities from the outset.
7. Use proxy or indicative measures where benefits are difficult to measure.

Bringing together anticipated costs / benefits / outcomes with actuals will be key....

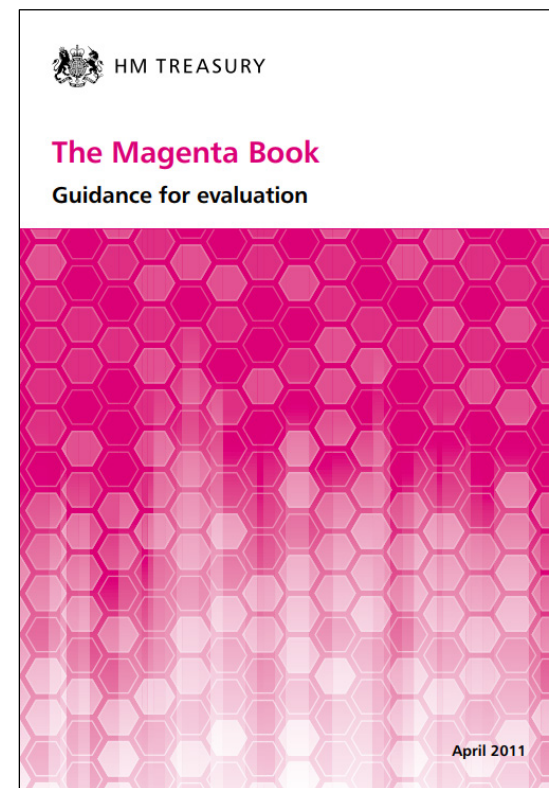
Economists



Project Delivery Professionals



Evaluators





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Questions