

Whitehall Monitor

No. 37: Progress on Major Projects
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The Major Projects Authority was launched on 31 March 2011 in response to criticisms of the Government's management of its biggest and highest-risk projects.¹ Many departments' major reforms are implemented via dedicated projects and some of these fall under the remit of the Major Projects Authority. In April 2013, the Major Projects Authority published its first Annual Report reviewing the status of the portfolio of projects under its remit. The data released provides a red/amber/green (RAG) rating² of each project with a six-month time lag.³

This *Whitehall Monitor* looks at the progress being made by departments on major projects which fall under the remit of the Major Projects Authority. This analysis is based on *The Major Projects Authority Annual Report 2013*⁴ containing data from Q2 2012-13 (June-September 2012).

Headlines

- **31 of 191 major projects received a red or red/amber rating**
- **The narratives provided by some departments on their RAG ratings give valuable additional context** but not all departments do this against all of their projects
- **Major Projects Authority data does not offer a comprehensive view of whether departmental leaders are delivering the Coalition's reform agenda**
- **As there has been only one release of the Major Projects Authority data, it is difficult to judge its impact** on departmental leaders and the projects' senior responsible officers.

Leading this research at the Institute, Justine Stephen said:

"The data provided by the Major Projects Authority adds valuable additional information to our understanding of the progress of major projects. However, this is only the first report and it is not yet clear what its impact is on departmental and project leaders."

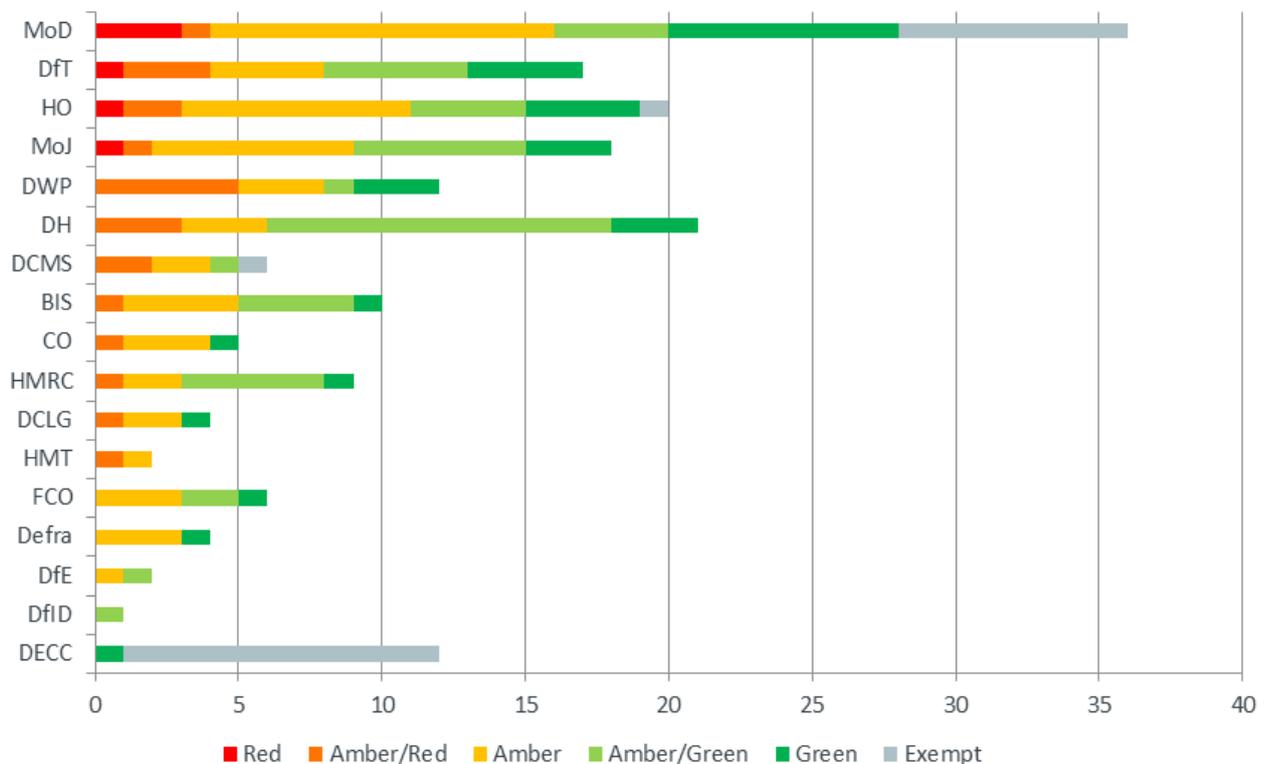
¹ Criticisms came from NAO, *Assurance for high risk projects*, June 2010, www.nao.org.uk/wp-content/uploads/2010/06/Assurance_for_high_risk_projects.pdf, and the Government's Major Projects Review 2010.

² The Major Projects Authority also includes ratings of amber/red and amber/green. For full definition of the RAG ratings used, see Cabinet Office, *The Major Projects Authority Annual Report*, 2013, 'The MPA's Delivery Confidence Assessments (RAG ratings)', chapter 2, retrieved 24 July 2013, <https://engage.cabinetoffice.gov.uk/major-projects-authority/chapter-2-the-major-projects-authority-remit>

³ The RAG rating and other project data are based on the position as at Q2 2012-13, which covers June-September 2012. See <https://engage.cabinetoffice.gov.uk/major-projects-authority/chapter-3-progress-to-date-facts-and-figures>, retrieved 24 July 2013.

⁴ Published by the Cabinet Office on 24 May 2013.

Insights on reform

Figure 1: Major Projects Authority – RAG rating of projects in Whitehall departments

Source: Institute for Government analysis of the MPA Annual Report 2013. Data based on Q2 FY 2012-13.

- **31 of 191 projects received a red or red/amber rating from the Major Projects Authority**
- In the core Whitehall departments, 28 out of 185 projects received a red or red/amber rating⁵
- **Departments also provide narratives** for their RAG rating, slippages from their original schedule and for variances from their budget for the current year and for their whole-life costs. This provides valuable additional context on the status of selected reforms.
 - In some cases it also provides a more granular breakdown of the reforms in departments than is visible in the Structural Reform Plans. For example, we can see the individual statuses against each of the regional rail franchising programmes
 - Annex 1 sets out the additional details provided for three major reforms: Universal Credit, rail franchising and rural broadband.
- **However, not all departments provide narratives against all of their projects**
- Although the Major Projects Authority data provides some additional insights on selected reforms, **it does not offer a comprehensive view of whether departmental leaders are delivering the Coalition's reform agenda**
 - Simply tracking the RAG ratings of Major Project Authority projects does not provide an accurate reflection of the status of the Coalition's programme of reforms.
 - This is because the Major Projects Authority only covers selected projects rather than all areas of the reform agenda.

⁵ This excludes the Office for National Statistics and National Savings & Insurance.

Is there effective accountability for the delivery of the Government's reforms?

- **As there has been only one release of the Major Projects Authority data, it is difficult to judge its impact** on departmental leaders and the projects' senior responsible officers
- **The commentary against many of the projects states that departments have made certain improvements** since the time of the original assessment
- **The real test for the Major Projects assessments will be whether they look like they are being 'gamed' in future years and whether there appear to be real consequences** for projects that are being badly implemented.

Next steps

The Institute for Government will continue to monitor the work of the Major Projects Authority. The MPA's next annual report is expected in May 2014.

Further information

You can find previous *Whitehall Monitor* reports, contact information, and underlying data at www.instituteforgovernment.org.uk/our-work/whitehall-monitor

Annex 1: Major authority projects data on selected reforms

Figure 2: Details on selected major projects

The Major Projects Authority data often provides a more granular breakdown of the reforms in departments than is visible in the Structural Reform Plans published by each department. The following gives details on selected major projects discussed in more detail in *Whitehall Monitor 2013*.⁶ All information shown is exactly as it appears in the source material (sources are provided in the footnote for each of the relevant departments).

Department for Work and Pensions⁷

Universal Credit programme

Project name	Universal Credit programme
Department	DWP
MPA RAG rating	Amber/red
Description / aims	Universal Credit provides a new single system of means-tested support for working-age people who are in or out of work. It aims to reduce the number of workless households by reducing the financial and administrative barriers to work that exist in the current system of benefits and tax credits, and replacing the complexity of the income-related benefits system (Housing Benefit, Income Support, income-related Employment and Support Allowance, income-related Jobseeker's Allowance, Working Tax Credit and Child Tax Credit) with a single payment which supports people to find work, find more work, and find better paid work.
Departmental narrative, actions on Delivery Confidence Assessment	This rating dates back to September 2012, more than seven months ago. Since then, significant progress has been made in the delivery of Universal Credit. The Pathfinder was successfully launched and we are on course both to expand the Pathfinder in July 2013 and start the progressive national roll-out of Universal Credit in October.
Project - start date	17/11/2011
Project - end date	31/12/2017

⁶ Stephen, J., et al., *Whitehall Monitor 2013*, Ch. 5, August 2013, <http://www.instituteforgovernment.org.uk/publications/whitehall-monitor>

⁷ From, Cabinet Office, *Major Projects Authority Annual Report, 2013*, www.gov.uk/government/publications/government-major-projects-portfolio-data-for-dwp-2013, 'Department for Work and Pensions Data'.

<p>Departmental narrative on schedule, including any deviation from planned schedule</p>	<p>The Universal Credit Pathfinder was successfully launched on 29th April in areas of Greater Manchester and Cheshire. Ashton-under-Lyne is accepting claims for Universal Credit. Wigan, Warrington and Oldham are trialling the Claimant Commitment and applying a more intensive approach to work search and ensuring new JSA claimants are signed onto Universal Jobmatch.</p> <p>We are on course to expand the Pathfinder in July when Wigan Warrington and Oldham will also take claims for Universal Credit. This careful and controlled approach will ensure that all aspects of Universal Credit are tested – starting small and refining before we start the progressive national roll out from October.</p> <p>Our plan is to make sure the full transition to Universal Credit is delivered in a safe and managed way.</p> <p>In terms of how we manage delivery implementation from the start of progressive roll-out in October to full transition in 2017, there are three key factors we will consider.</p> <p>First, we will learn valuable lessons from the Pathfinder – that is the whole point of a Pathfinder. We will examine the results forensically, and apply them in rolling out Universal Credit nationally.</p> <p>Second, David Pitchford has been acting as interim Chief Executive for Universal Credit following the sad death of Philip Langsdale. As Head of the Cabinet Office’s Major Projects Authority, he has provided valuable insights into the most effective way to deliver a complex IT project of this scale, in line with the Government’s Digital Strategy – including latest thinking on the best enabling technologies and platforms, how best to manage suppliers and deliver value to money.</p> <p>Third, Howard Shiplee, the man that built the Olympic Park, has now taken over from David Pitchford in overseeing the delivery of Universal Credit. He will be using these ideas in finalising the detail of the long-term delivery plan for UC, together with his own wealth of experience in successful project delivery.</p>
<p>2012/13 Budget (£million)</p>	<p>386.5</p>
<p>2012/13 Forecast (£million)</p>	<p>378.99</p>
<p>Total budgeted whole life costs (£million) (including non-government costs)</p>	<p>12845.38</p>
<p>Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)</p>	<p>At the time of the review, there was a slight variance against budget.</p>
<p>Departmental narrative on budgeted whole life costs</p>	<p>The budgeted whole life costs will be contained within any Treasury limits and approvals.</p>

Broadband Delivery Programme

Project name	Broadband Delivery Programme
Department	DCMS
MPA RAG rating	Amber/Red
Description / aims	To ensure the rapid roll-out of broadband across the country in support of economic growth, including in rural areas
Departmental narrative, actions on Delivery Confidence Assessment	As of 25/03/13 State Aid approval gained 20/11/12. Currently the supplier dates for implementation of some final connections stretch beyond March 2015 and BDUK are working with suppliers to draw these back where possible.
Project - start date	01/05/2011
Project - end date	31/03/2015
Departmental narrative on schedule, including any deviation from planned schedule	As of 25/03/13 Procurement Pipeline running on schedule - Of the 43 projects 26 are in procurement and 17 are now in implementation. Two projects have live cabinets.
2012/13 Budget (£million)	91
2012/13 Forecast (£million)	91
Total budgeted whole life costs (£million) (including non-government costs)	529

⁸ From, Cabinet Office, *Major Projects Authority Annual Report, 2013*, www.gov.uk/government/publications/government-major-projects-portfolio-data-for-dcms-2013, 'Government Major Projects Portfolio data for DCMS 2013'.

Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	As of 25/03/13 The 12/13 budget is now £12m and the forecast is £10m. Projected spend in 12/13 is less than originally forecast owing to the delays in gaining State aid. DCMS has agreed a budget re-profile with HMT which has brought the budget profile into line with forecast expenditure.
Departmental narrative on budgeted whole life costs	As of 25/03/2013 the whole life cost is approximately £1.8 bn. Cost figure is an estimate based on expected public and private sector contributions.

Urban Broadband Fund - Super-connected City Initiative

Project name	Urban Broadband Fund - Super-connected City Initiative
Department	DCMS
MPA RAG rating	Amber/Red
Description / aims	To support around 20 cities to create areas of high speed fixed broadband and mobile connectivity.
Departmental narrative, actions on Delivery Confidence Assessment	As of 25/03/13 The funding allocations for the Wave 1 cities have been published. Successful Wave 2 cities were announced in December 2012. The Government is working with the EU Commission and suppliers to agree the State aid strategy for infrastructure build and a connection voucher scheme
Project - start date	26/06/2012
Project - end date	31/03/2015
Departmental narrative on schedule, including any deviation from planned schedule	As of 25/03/13 The programme is scheduled to be completed by March 2015. Delivery by this date is dependent on resolution of State aid issues and supplier implementation timeframe.
2012/13 Budget (£million)	10
2012/13 Forecast (£million)	0
Total budgeted whole life costs (£million) (including non-government costs)	150
Departmental narrative on	As of 25/03/13

budget/forecast variance for 2012/13 (if variance is more than 5%)	Spend in 12/13 is less than originally forecast owing to the need to refocus the cities' plans in light of the difficulties in gaining EU State Aid approval. DCMS has agreed a budget re-profile with HMT which has brought the budget profile into line with forecast expenditure.
Departmental narrative on budgeted whole life costs	Total costs for building and operating the infrastructure will depend on the model followed by each local project.

Department for Transport⁹

Rail Refranchising Management Programme - East Coast

Project name	Rail Refranchising Management Programme - East Coast
Department	DfT
MPA RAG rating	Amber
Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The East Coast services have been so designated and a procurement competition therefore needs to be run to re-let the East Coast Main Line.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of East Coast services by December 2013, • to ensure that the new franchise is let on terms that meet the franchise objectives; and • to ensure that the new franchise meets the Department's value for money and affordability requirements. <p>Following the West Coast contract cancellation the overall rail refranchising programme was paused, as a result the original delivery plan was no longer achievable. The Department announced the long term plans for rail franchising https://www.gov.uk/government/news/fresh-start-for-franchising in March 2013.</p>

⁹ From, Cabinet Office, *Major Projects Authority Annual Report*, 2013, www.gov.uk/government/publications/government-major-projects-portfolio-data-for-dft-2013, 'DfT quarter 2 2012 to 2103 GMPP data'.

Departmental narrative, actions on Delivery Confidence Assessment	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
Project - start date	20/07/2009
Project - end date	31/05/2013
Departmental narrative on schedule, including any deviation from planned schedule	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
2012/13 Budget (£million)	<i>Not provided</i>
2012/13 Forecast (£million)	<i>Not provided</i>
Total budgeted whole life costs (£million) (including non-government costs)	<i>Not provided</i>
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<i>Not provided</i>
Departmental narrative on budgeted whole life costs	<i>Not provided</i>

Rail Refranchising Management Programme - GA Long

Project name	Rail Refranchising Management Programme - GA Long
Department	DfT
MPA RAG rating	Amber/Green
Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The Greater Anglia services have been so designated and a procurement competition therefore needs to be run to re-let the Greater Anglia.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of Greater Anglia services by July 2014, • to ensure that the new franchise is let on terms that meet the franchise objectives; and

	<ul style="list-style-type: none"> to ensure that the new franchise meets the Department's value for money and affordability requirements. <p>Following the West Coast contract cancellation the overall rail refranchising programme was paused, as a result the original delivery plan was no longer achievable. The Department announced the long term plans for rail franchising https://www.gov.uk/government/news/fresh-start-for-franchising in March 2013.</p>
Departmental narrative, actions on Delivery Confidence Assessment	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
Project - start date	19/07/2012
Project - end date	31/01/2015
Departmental narrative on schedule, including any deviation from planned schedule	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
2012/13 Budget (£million)	<i>Not provided</i>
2012/13 Forecast (£million)	<i>Not provided</i>
Total budgeted whole life costs (£million) (including non-government costs)	<i>Not provided</i>
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<i>Not provided</i>
Departmental narrative on budgeted whole life costs	<i>Not provided</i>

Rail Refranchising Management Programme - Greater Anglia Short

Project name	Rail Refranchising Management Programme - Greater Anglia Short
Department	DfT
MPA RAG rating	Green

Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The Greater Anglia services have been so designated and a procurement competition therefore needs to be run to re-let the Greater Anglia Short term franchise.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of Greater Anglia services by February 2012, • to ensure that the new franchise is let on terms that meet the franchise objectives; and • to ensure that the new franchise meets the Department's value for money and affordability requirements.
Departmental narrative, actions on Delivery Confidence Assessment	The franchise is live - February 2013.
Project - start date	01/06/2010
Project - end date	28/02/2013
Departmental narrative on schedule, including any deviation from planned schedule	Completed on schedule.
2012/13 Budget (£million)	-144.7
2012/13 Forecast (£million)	-154.9
Total budgeted whole life costs (£million) (including non-government costs)	-396.7769231
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<p>Subsequently, National Express was deprived of the franchise and it was competed being won by Abelio with a much higher premium than forecast in the Comprehensive Spending review (CSR) Budget. DfT takes revenue risk which means that DfT provides revenue support. Farebox revenues are over 3% lower than forecast in the CSR Budget which has lead to significant revenue support however the much higher premium bid by Abelio more than compensates for this so that overall at Q2 of 2012, the income from Greater Anglia is better than budget.</p> <p>To summarise, the circumstances of the budget and forecast are completely different and the performance at Q2 reflects a better net premium achieved through re-franchising.</p>
Departmental narrative on budgeted whole life costs	The bases of the Budget and the Forecast are entirely different. The CSR Budget was based upon the expected franchise terms at that time with an expectation that National Express would continue with the franchise until its re-let in February 2012 with a premium that reflected the standard assumption on re-letting at that time of a

	Train Operating Company Margin of 7%.
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Rail Refranchising Management Programme - West Coast

Project name	Rail Refranchising Management Programme - West Coast
Department	DfT
MPA RAG rating	Red
Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The West Coast services have been so designated and a procurement competition therefore needs to be run to re-let the West Coast Main Line.</p> <p>The franchise is one of the largest in terms of farebox revenue and connects London with key conurbations such as Manchester, Birmingham, Glasgow and Liverpool.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of West Coast services by December 2012, • to ensure that the new franchise is let on terms that meet the franchise objectives; and • to ensure that the new franchise meets the Department's value for money and affordability requirements. <p>The project was cancelled in October 2012. As a result the original delivery plan was no longer achievable. The Department announced the long term plans for rail franchising https://www.gov.uk/government/news/fresh-start-for-franchising in March 2013.</p>
Departmental narrative, actions on Delivery Confidence Assessment	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
Project - start date	22/09/2010

Project - end date	08/04/2014
Departmental narrative on schedule, including any deviation from planned schedule	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
2012/13 Budget (£million)	<i>Not provided</i>
2012/13 Forecast (£million)	<i>Not provided</i>
Total budgeted whole life costs (£million) (including non-government costs)	<i>Not provided</i>
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<i>Not provided</i>
Departmental narrative on budgeted whole life costs	<i>Not provided</i>

Rail Refranchising Management Programme- Thameslink, Southern and Great Northern refranchising project

Project name	Rail Refranchising Management Programme- Thameslink, Southern and Great Northern refranchising project
Department	DfT
MPA RAG rating	Amber/Red
Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The Thameslink, Southern and Great Northern (TSGN) services have been so designated and a procurement competition therefore needs to be run to re-let the franchise.</p> <p>This project will merge the existing Thameslink and South Central franchises.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of TSGN services by September 2013, • to ensure that the new franchise is let on terms that meet the franchise objectives; and • to ensure that the new franchise meets the Department's value for money and affordability requirements.

	Following the West Coast contract cancellation the overall rail refranchising programme was paused, as a result the original delivery plan was no longer achievable. The Department announced the long term plans for rail franchising https://www.gov.uk/government/news/fresh-start-for-franchising in March 2013.
Departmental narrative, actions on Delivery Confidence Assessment	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
Project - start date	30/10/2011
Project - end date	27/02/2015
Departmental narrative on schedule, including any deviation from planned schedule	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
2012/13 Budget (£million)	<i>Not provided</i>
2012/13 Forecast (£million)	<i>Not provided</i>
Total budgeted whole life costs (£million) (including non-government costs)	<i>Not provided</i>
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<i>Not provided</i>
Departmental narrative on budgeted whole life costs	<i>Not provided</i>

Rail Refranchising Management Programme- Great Western

Project name	Rail Refranchising Management Programme- Great Western
Department	DfT
MPA RAG rating	Amber
Description / aims	<p>The Secretary of State is required to designate certain services for the carriage of passengers as suitable for franchising under section 23 of the Railways Act 1993 (as amended).</p> <p>The Great Western services have been so designated and a procurement competition therefore needs to be run</p>

	<p>to re-let the Great Western.</p> <p>The aims are</p> <ul style="list-style-type: none"> • to deliver the re-franchising of Great Western services by July 2013 • to ensure that the new franchise is let on terms that meet the franchise objectives; and • to ensure that the new franchise meets the Department's value for money and affordability requirements. <p>Following the West Coast contract cancellation the overall rail franchising programme was paused, as a result the original delivery plan was no longer achievable. The Department announced the long term plans for rail franchising https://www.gov.uk/government/news/fresh-start-for-franchising in March 2013.</p>
Departmental narrative, actions on Delivery Confidence Assessment	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
Project - start date	21/07/2011
Project - end date	16/01/2015
Departmental narrative on schedule, including any deviation from planned schedule	The franchise programme was paused in October 2012. A further announcement on the schedule was made March 2013.
2012/13 Budget (£million)	<i>Not provided</i>
2012/13 Forecast (£million)	<i>Not provided</i>
Total budgeted whole life costs (£million) (including non-government costs)	<i>Not provided</i>
Departmental narrative on budget/forecast variance for 2012/13 (if variance is more than 5%)	<i>Not provided</i>
Departmental narrative on budgeted whole life costs	<i>Not provided</i>

Annex 2: List of acronyms

Figure 3: List of acronyms for government departments

Acronym	Department Name
AGO	Attorney General's Office
BIS	Business, Innovation and Skills
CO	Cabinet Office
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
DECC	Department for Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DFID	Department for International Development
DFT	Department for Transport
DH	Department of Health
DWP	Department for Work and Pensions
FCO	Foreign and Commonwealth Office
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HO	Home Office
MoD	Ministry of Defence
MoJ	Ministry of Justice