Cabinet Office

Major Projects Authority Annual Report 2013-2014
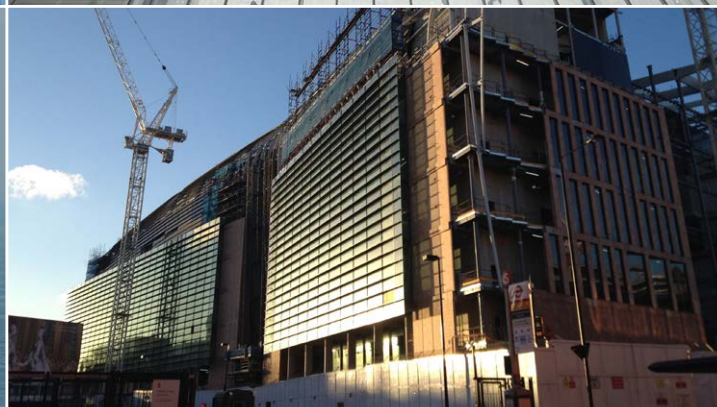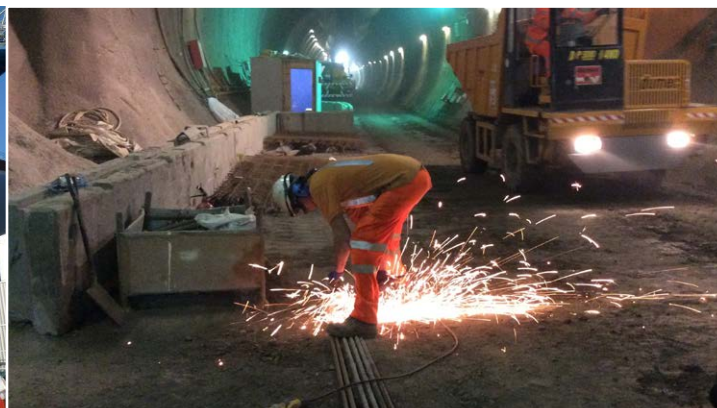
Contents

Foreword
Minister for the Cabinet Office

This report, which includes the Major Project Authority (MPA)'s candid red/amber/green ratings, gives unprecedented insight into the government's portfolio of 199 transformative major projects. Everyone in the country will be touched in some way by these projects, whose lifetime costs stretch to over £400 billion.

Yet despite their crucial importance and eye-watering budgets, successive governments failed to deliver major projects effectively. A lack of project management skills across the Civil Service; too fast a turnover of project leaders; inadequate assurance processes and institutional knowledge: all these led to the squandering of enormous sums of money from hard-working taxpayers.

We knew this had to change, so after the last General Election the Prime Minister established the MPA to provide central assurance over projects and to support colleagues across departments to build skills and improve delivery.

Since then we have made significant progress. This year, half of the projects with the most significant challenges improved, while our work to develop our people has meant we are relying less on costly consultants.

Delivering major projects will never be easy – they are some of the biggest and most complex things the Government will do. But we must not pretend problems don't exist. Instead, we must identify and address them early on before they become an issue. By being open and realistic about the challenges we face, we can find solutions. That's nothing less than what the public should expect from us, and what we, through this Annual Report, are committed to delivering.

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

Foreword
Chief Secretary to the Treasury

We are forecast to invest over £400 billion of taxpayers' money in our major projects, delivering benefits that will be transformational for our economy and for society. We always have a responsibility to ensure that public money is spent wisely and never more so than in the current challenging economic circumstances. The Treasury remains committed to the important work that this government is undertaking to improve the successful delivery of our most important projects.

We know that a key to the success of major projects is to ensure that the right work is done to set them up properly by the time they receive approval to proceed from the Treasury. We will work in partnership with colleagues across government to improve further the way in which we do this. In making commitments of the scale of our major projects, it is vital that we are as clear as we can be on what we are trying to achieve, that we have considered all of the right options, and that we have identified the resources we need to deliver them successfully.

Rt Hon Danny Alexander MP
Chief Secretary to the Treasury

CEO's introduction

Welcome to the MPA's second annual report. The aim of this report is to give you an overview of the most important projects being delivered by the government, and to set out the steps that we will take to continue to improve the way they are delivered.

A central part of improving our performance is being open about the challenges associated with delivering a major project, and the MPA Annual Report is an important move in that direction. With 199 projects in the portfolio, this report can only be an overview – you will find a more detailed analysis of the projects, including financial and schedule data, in the departments' own individual reports, published alongside this report on gov.uk.

We have an impressive range of projects underway that will change people's lives for years to come, from new railways, better schools and the latest in medical treatment, to major advances in defence systems, and significant IT development projects that will set up our public services for the 21st century. The benefits these projects will bring to the country are enormous, and the overall investment is a real commitment to change. As this report details, we have made significant progress in the last year.

Projects of this scale and complexity are always going to be challenging – even more so in the public sector where there are many stakeholders involved, along with high levels of media scrutiny. There are four key areas on which we will focus our efforts to meet the challenges.

First, getting major projects right requires outstanding leadership – and in my first few months in the job, it has been encouraging to meet some excellent project leaders, and to see how the Major Projects Leadership Academy is helping them develop their skills still further. We will continue this important work to build a world-class civil service.

"Success is fundamentally about people. In my early days in government I have been encouraged by the talent and commitment of many of the people that I have met. We are making progress towards our aspiration to build a world-class civil service, capable of delivering the ambitious projects that this country needs. I look forward to continuing this important work."

Second, leaders need to be empowered to get the job done, with clear accountability and responsibility for delivery. We are progressively clarifying the accountabilities and delegated authorities to enable focused and accountable leadership.

Third, successful projects require detailed and substantial planning and analysis of the potential options before implementation begins. Such early clarification of objectives and implementation plans, the alignment of interests, and detailed understanding of the required resources, leads to the successful set-up of a project. While we currently devote significant efforts to this, there remain substantial opportunities for improvement.

Lastly, getting major projects right requires a culture of openness and realism which gives people the confidence to identify challenges at any stage of a project so that solutions can be developed. Transparent publication of the data on our major projects through the MPA Annual Report and associated departmental reports, now in their second year, is an important example of our commitment to this culture of realism.

To date, the MPA's role in reviewing, challenging, and advising projects has been important in enabling the kind of openness we need to be confident of success. Going forward, the MPA will offer project teams a greater level of support, offering valuable objective advice, asking the right questions, finding the right people to help – and, through the Major Projects Leadership Academy, providing training to enable leaders to develop the skills they need to deliver the challenging results expected of them.

We are in the early days of the government's drive to improve the delivery of major projects, and success will take time. In setting up the MPA in 2011, the Government clearly signalled the importance of delivery alongside policy development. We are already making progress, and I am optimistic that we can continue and accelerate that journey. With a portfolio of this magnitude, improvements in efficiency mean we will complete projects at less cost to the taxpayer, as well as ensuring that we secure the benefits to public services and infrastructure that these projects promise.

John Manzoni
CEO, Major Projects Authority

The portfolio: transforming Britain through major projects

Major projects delivered by the government are amongst the most ambitious and important in the country: they will transform public services and deliver infrastructure that will last for generations. We have committed £488bn to 199 major projects which are due to complete at various times over the next 20 years.[1]

The benefits these projects will bring go well beyond the 2.5% of annual government expenditure they represent: major infrastructure, for example Crossrail or Thameslink; connecting the nation through broadband; building hospitals and schools; transforming key parts of the UK economy, such as reforming the energy market; ensuring the future defence of the country and our ability to influence events overseas through the equipment of our armed forces; or the development of national icons such as Tate Modern or the British Museum.

Over the course of the last year, 39 projects have left the Government Major Projects Portfolio (GMPP), and many of these have been brought to a successful conclusion. In other cases, projects left the GMPP where they have transitioned to business as usual, or been redefined. A total of 75 further projects are due to complete by April 2015. Examples of the projects that completed successfully this year and are already delivering benefits across the country include:

- The Home Office's New Passport Programme, which has utilised new manufacturing technology to produce the world's most secure identity document.

- The Department of Environment, Food and Rural Affairs' project to establish a charitable organisation, the Canal & River Trust, to care for 2,000 miles of the country's canal and river network.

- Ministry of Justice projects to increase the efficiency of the operation and management of the prison and prison escort services.

- A number of major Department for Transport projects, such as the Greater Anglia Rail refranchising, that will provide better rail services for most passengers in East Anglia.

Significant progress is being made in even the longest-term projects. In moving from policy to delivery, major projects must pass through a series of key government approval points designed to ensure that they are set up successfully. Twenty-two projects received final business case approval from the Treasury during the year, allowing them to make the substantial financial commitments that will lead to implementation. A further 21 projects received outline business case approval, allowing them to proceed to more detailed planning.

1 All figures in the report are for data as at September 2013, unless otherwise stated.

The government's major projects in numbers

The establishment of the GMPP in 2011 allowed us to understand the scope and scale of our most important projects for the first time. The GMPP is composed of the largest, most impactful, and highest risk projects being undertaken by the government. Projects to be included in the GMPP are agreed between the MPA, HM Treasury and the relevant government departments, and they report data to the MPA every quarter.

199 projects

£488bn whole life cost[2]

£19bn 2013-14 budget

28% scheduled to complete by September 2014

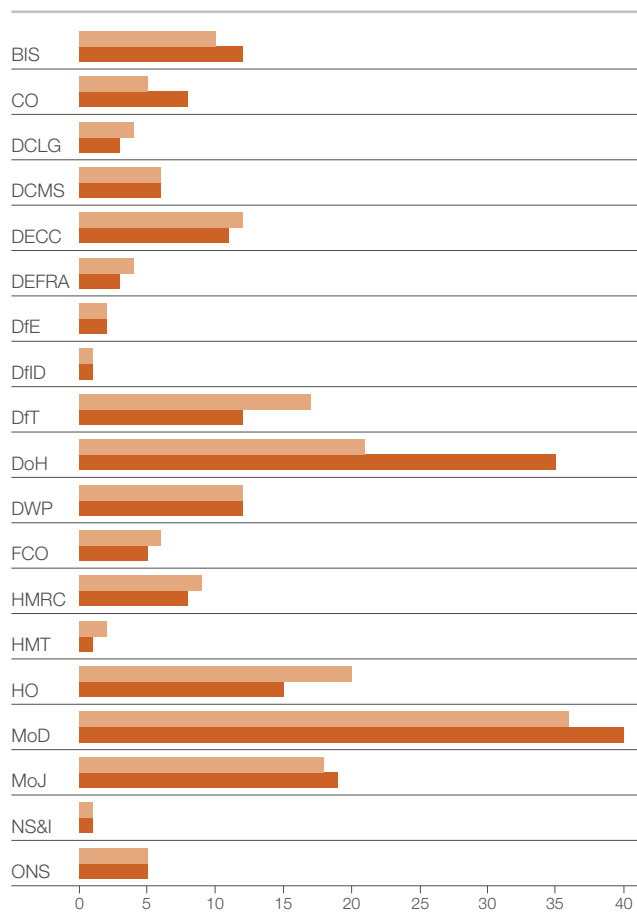**76%** scheduled to complete by the end of the decade

24% scheduled to complete in the 2020s or 2030s

Largest investments:

Military equipment, energy generation and efficiency, and railway infrastructure represent over **65%** of the whole life costs of the portfolio

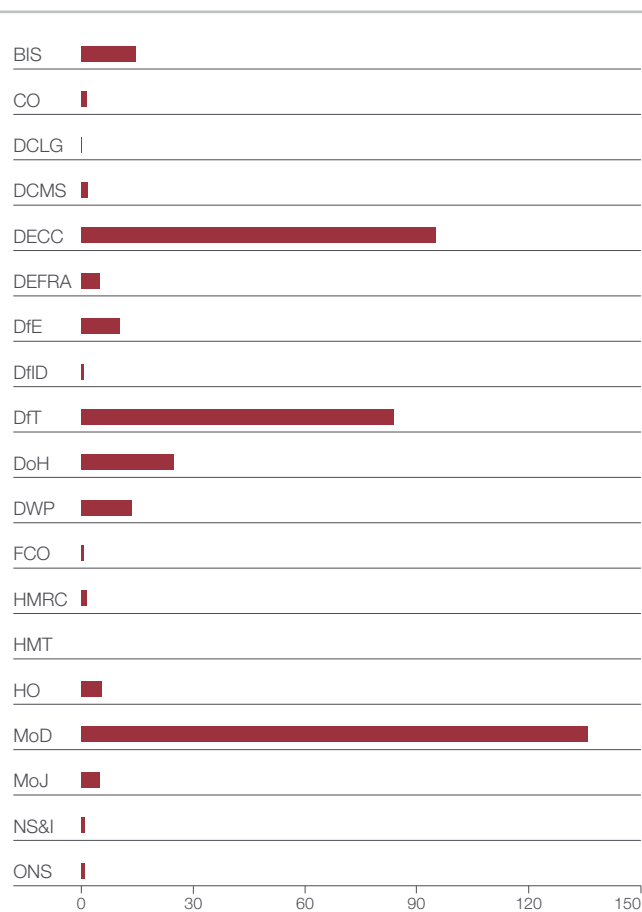2 This includes £60bn of non-government expenditure.

Figure1
The number of major projects by department[1],
September 2012 and 2013

■ September 2012   ■ September 2013

Figure 2
The total whole life costs of major projects
by department[1] in September 2013 £bn

The number of major projects across different departments in September 2012 and September 2013 is shown in figure 1. The total number of projects in the GMPP increased from 191 to 199 in the year to September 2013. Over the course of the year, 39 projects exited the GMPP due to completion, being redesigned into other projects or, in a few cases, being halted. Forty-seven new projects were incorporated within the GMPP reflecting the progress that we are making in turning the government's policies into projects to deliver change.

Examples of projects that have started this year include a series of initiatives in the Department of Health, including the Seasonal Flu Extension to Children Programme that will mean that all children at primary school will receive the flu vaccine, and the Health Visitors Programme to recruit 4,200 extra health visitors by April 2015 to provide care for people at home. The Ministry of Justice's Transforming
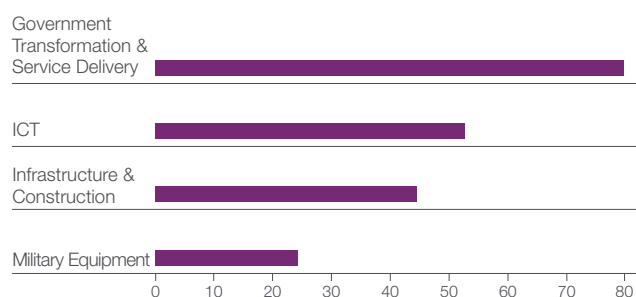
Rehabilitation and Transforming Youth Custody Programmes will reduce the level of reoffending, by bringing a broader range of partners in to provide rehabilitation services, expanding the coverage of those services, and by significantly improving the education provided to young offenders.

Figure 2 shows the distribution of the whole life costs of projects by department. This highlights the significance by cost to three departments in particular: the Department of Energy and Climate Change; the Department for Transport; and the Ministry of Defence. This reflects the high capital costs of energy and transport infrastructure and military equipment. The impact and significance of projects is not, however, illustrated by cost alone. Transformation projects can have comparatively low direct costs, but the reforms to the delivery of major public services that they introduce can influence the way in which very significant sums of ongoing government or private money is spent.

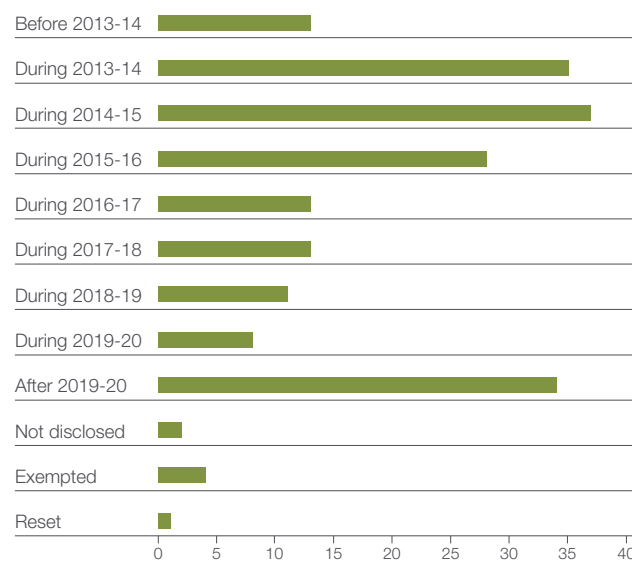1 See page 21 for key of department names

Rather than physical infrastructure, the majority of projects in our portfolio are major transformation progammes to modernise the delivery of public services.
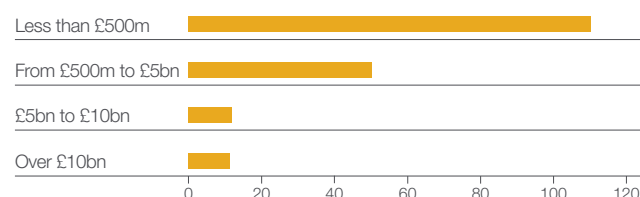

Figure 4
The distribution of projects by completion date

Figure 3
The distribution of projects by project type

Figure 5
The distribution of projects by whole life cost

The popular image of major projects is one of major infrastructure like railways or roads, or military equipment. However, as illustrated in figure 3, there is far more to the GMPP than these two categories. In fact the majority of our projects consist of programmes to deliver radical transformation of our public services, improving the quality of services while saving taxpayers hundreds of millions of pounds. Improving services requires us to undertake a major modernisation of the way in which government is structured, the means by which services are delivered and accessed, and our relationships with the companies and organisations with which we work to deliver them. As part of this, we are creating world-class digital public services, increasing the accessibility and efficiency of these services. The number of major transformation and IT projects demonstrates the scale of this ambition.

Examples of projects of this type include the joint Department of Health, Ministry of Justice, and Home Office Liaison and Diversion Services Programme, which will improve the health of and reduce re-offending rates in adults and children in the criminal justice system who have complex physical and mental health needs, such as psychological illness or substance misuse; and the Beyond 2011 Census Programme that will consider innovative alternatives for collecting information for the 2021 census.

The projects in the GMPP vary significantly in length and cost, as illustrated in figures 4 and 5. Thirty-five of our projects are not due to complete until after 2020, and some, such as the Successor Nuclear Deterrent submarines, are scheduled to run well into the 2030s. Across government, the range of projects that we are delivering therefore covers a range of scale, length and type, bringing with it a similar range of challenges that must be overcome.
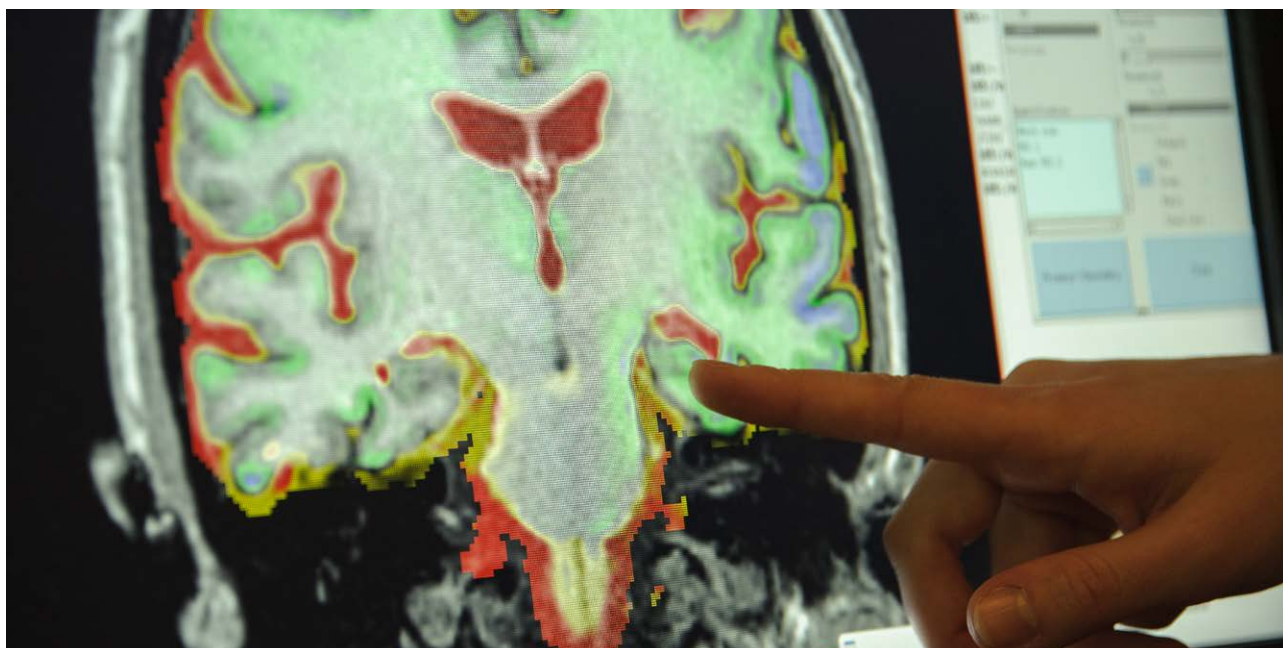
Developing state-of-the-art cancer treatment for children

The £250m Proton Beam Therapy project is an innovative new form of radiotherapy that is transforming the prognosis of many hard-to-reach cancers. Through two major new facilities at University College Hospital, London and Christie Hospital, in Manchester, this advanced technology that accelerates hydrogen atoms to two thirds the speed of light, will change the lives of around 1,500 people – particularly children – each year.

Schools fit for the next generation

The Department for Education set up the Priority School Building Programme in 2011 to rebuild or repair over 250 of the country's most run-down schools. To ensure value for money, the schools were grouped to make the projects more commercially attractive and to drive stronger competition from bidders for the contracts. All schools within the programme will have been refurbished by the end of 2017.

Tackling the threat from serious and organised crime

The establishment of the National Crime Agency (NCA) will enable the UK to tackle more effectively serious and organised crime such as money laundering, cyber-crime or human trafficking. This project has required a major transformation, bringing together staff from a variety of bodies, including the National Policing Improvement Agency, the National Fraud Authority, the Metropolitan Police Service and the UK Border Agency.

Protecting Britain's interests abroad in the 21st century

Type 45 destroyers will provide the backbone of the UK's naval air defences for the next 30 years and beyond, as well as carrying out a wide range of operations, including anti-piracy and anti-smuggling activities, disaster relief work and surveillance operations. The first Type 45, HMS Daring, arrived in Portsmouth in January 2009. HMS Duncan, the final of the six Type 45s, entered service in January 2014.

Being open about the challenges

Major projects are complex and ambitious. Getting them right is a huge challenge, and even the best-run projects rarely go smoothly from start to finish. However, of the projects we reported as facing the most significant challenges a year ago, over half have improved significantly, thanks to determined efforts to resolve issues.

Given the number, complexity and scale of the challenges facing major projects, it is essential that we are realistic about what we can achieve, which means developing a culture of realism about these challenges. This kind of approach allows teams to find solutions before problems spiral out of control. Among the challenges are:

■ **Technological complexity.** Many of our major projects incorporate some of the most innovative and technologically advanced engineering in the world. For example, the Department of Energy and Climate Change's Carbon Capture and Storage Project will support the development of new technologies to lead the fight against climate change, while the Astute and Successor class nuclear submarines being designed and built by the Ministry of Defence are amongst the most technologically advanced machines that have ever been created.

■ **New information technology.** Our digital transformation agenda aims to provide world-class digital services; typically, this involves redesigning public services involving millions of people and hundreds of millions of transactions.

■ **Scale.** There are more than 10 projects in the portfolio with costs of over £10bn, while many will have impacts across the whole of the UK, for example national vaccination projects, the electoral register, or national tax and benefit reform.

■ **Multiple delivery partners.** Most of our major projects have many delivery partners spanning both the public and private sectors, while a high proportion involve complex private sector procurement exercises. In the context of health, for example, developing new IT programmes requires hundreds of semi-independent organisations and trusts across public health and social care to work together to share information.

■ **New organisational structures.** Because they are not 'business as usual', managing and delivering major projects usually requires the development of new temporary structures, either within government or in collaboration with partners. On occasion these may be entirely new organisations such as the Olympic Delivery Authority.

High Speed Rail (HS2) is a high-profile example of a project that displays many of these challenges. It is not unusual for projects of this scale to have a lower delivery confidence assessment early in their project life, highlighting the substantial issues that inevitably remain to be resolved. Significant

"Government and industry share the challenge that large scale projects are difficult to manage, and the evidence shows that both suffer issues with late delivery and going over budget. The only significant difference between the public and private sectors is around transparency, where major projects undertaken by government face more regular questions about whether the large budgets involved are well spent."

Dr Paul Chapman, *Oxford Saïd Business School*

progress has been made in the last year on HS2, for example in depositing the High Speed Rail Bill in Parliament and securing successful second reading in the Commons. The amber/red delivery confidence assessment on HS2, like other projects with a similar assessment, indicates that the focused attention that is being applied to addressing the remaining issues must continue.

Realism about the challenges of major projects: the MPA's assurance review

The MPA's assurance review process is an important component of a culture of identifying and addressing the challenges of delivering major projects. It consists of internal – but independent – reviews at key decision points in a project's life-cycle, identifying what is going well, and providing recommendations to address issues. Since the MPA was established, we have initiated well over 500 assurance reviews.

As part of our commitment to creating a culture of realism, the MPA maintains a 'Delivery Confidence Assessment' (DCA) of all projects in the GMPP, enabling attention to be focused across government where it is most required. The DCA gives an overall summary of the state of a project, and is reported as a traffic light system ranging from green for the projects judged with the lowest risks to success, to red for those projects facing the most serious challenges.[1] The DCA gives an overall summary of the state of a project.

The ambition and level of risk associated with many of our major projects means that, particularly at their earliest stages, projects are likely to be rated no higher than amber, and frequently 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, and the delivery confidence of many projects rated red and amber/red increases significantly as solutions are identified to challenges. 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 put in place.

The MPA formally updates DCA ratings each quarter, and the ratings (as of the previous September) are published each year in the MPA Annual Report as part of our commitment to increased transparency. The overall quarterly DCA is informed by a range of evidence, including the ratings from any recent assurance reviews. The MPA's assurance reviews are not published, in order to allow these reviews to encourage a culture of candid identification of the challenges and issues with projects.

Where we are now: delivery confidence of major projects in September 2013

In line with our commitment to transparency, last year's Annual Report marked the first publication of the MPA's DCAs of projects in the GMPP, and this year, with the publication of comparative figures, we can begin to track progress. The overall DCA across the portfolio at September 2012 and September 2013 is shown in figure 6 overleaf. The figures show a spread of confidence in delivery, with the highest proportions of projects rated amber and amber/green in both years.

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1 The DCA classification allows for five categories: green; amber/green; amber; amber/red; and red.
   The definition of each of these classifications is included in the annex.

Figure 6

The distribution of projects by delivery confidence assessment in September 2012 and September 2013
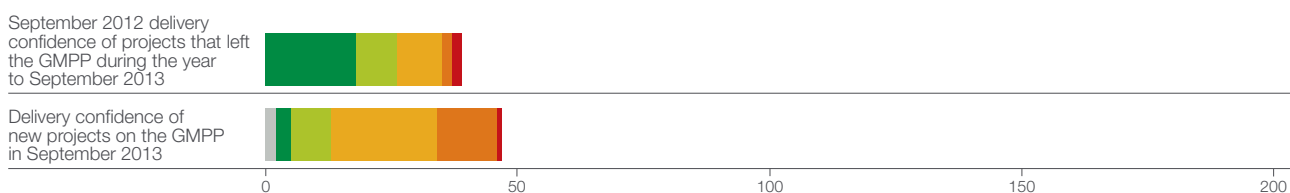
Figure 7

A comparison of the delivery confidence assessment of projects that have joined the GMPP this year, compared with those that exited

| ■ Green | ■ Amber/green | ■ Amber | ■ Amber/red | ■ Red | ■ Leavers[1] | ■ No DCA[2] | ■ Exempted[3] | ■ Reset[4] |

Between September 2012 and September 2013 there was an increase in the percentage of projects rated amber/red and a decrease in the percentage rated green. The main reason for this is that 47 new projects joined the GMPP this year. Since they are projects in the early stages of planning, we are naturally at this stage less confident in their delivery than in those projects that left the portfolio during the year. Projects in the earlier stages of planning receive, on average, lower DCAs because they are still working through the process of identifying solutions to the challenges that they inevitably face. This is illustrated in figure 7, which shows the higher DCAs of those projects that exited the portfolio this year compared with those that joined.

By contrast, the overall DCA of the projects that have been in the portfolio in both years has remained largely unchanged. Of the 122 projects whose DCAs were published in both years, 27 have improved and 32 have declined.

This time last year, we rated 31 projects red or amber/red. The change in our assessment of these is shown in figure 8 opposite. Of these 31 projects, more than half did better this year and only one has got worse – being open about the challenges and allowing managers to focus on the problems has meant that even those projects with the greatest challenges have been put on a firmer footing. Those showing an improved DCA included:

- The Department for Transport's Thameslink, Southern and Great Northern Franchise Competition to secure the future operation of major parts of the rail network.

- The Department of Health's London Programme for IT to deliver patient administration systems in the London area.

- HMRC's One Click project to bring many businesses' tax needs together in one place and online.

1 Leavers are those projects that have exited the GMPP portfolio between September 2012 and 2013, due either to completing, moving into business as usual delivery, or being re-scoped.
2 Eight of the projects in the DoH's GMPP portfolio consist of the construction or upgrading of hospitals and health facilities. These projects are not being delivered by the DoH, but by NHS Trusts and Foundation Trusts. As these projects involve significant levels of DoH funding, or (for PFI schemes) a DoH guarantee of funding, the financial data for these projects are therefore reported in the GMPP. However, as these projects are not being delivered by the DoH, the MPA does not currently provide assurance for them. As a consequence no MPA DCA is provided for these projects.
3 This refers to data not published by departments, in accordance with the agreed transparency policy. See page 18.
4 The 'reset' category has been applied to the Universal Credit project. We have undertaken significant work to develop a 'reset plan' to place the roll-out of Universal Credit on a more secure footing, and the 'reset' DCA reflects this new status of the project.
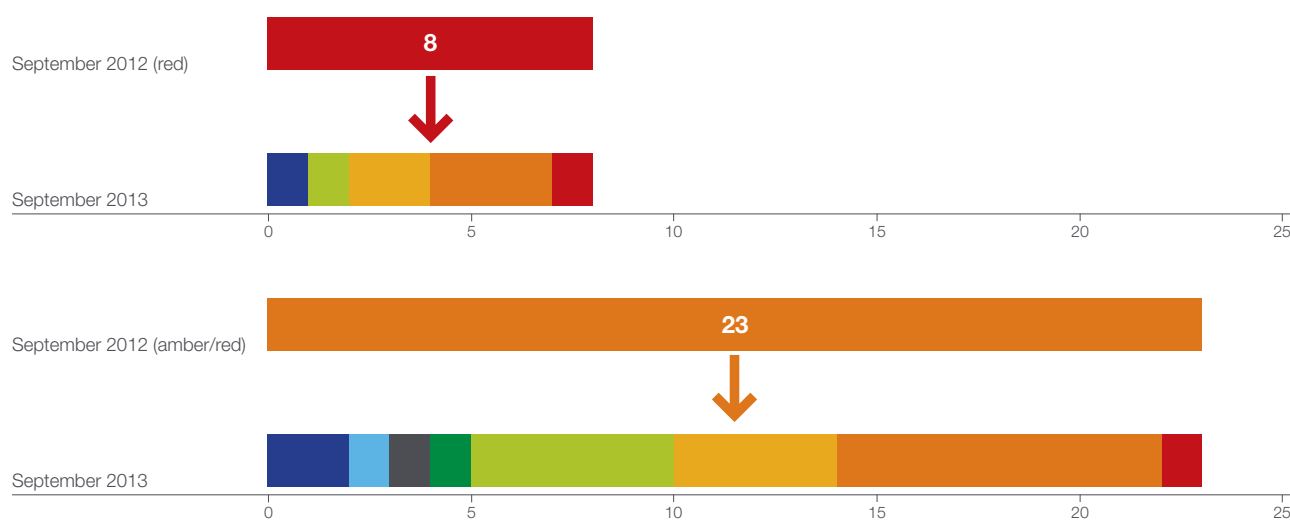
Figure 8
The improvement in delivery confidence of those projects rated red or amber/red in September 2012

- The Department of Work and Pensions' Benefit Cap, to limit the total amount of benefit that working-age people can receive so that households on out-of-work benefits will no longer receive more in welfare payments than the average weekly wage for working households.

- The Office for National Statistics's Web Data Access project to allow the dissemination of 2011 Census data online.

Of the eight projects that we rated red in September 2012, only one was still rated red in September 2013, the Queen Elizabeth Class Aircraft Carrier project. However, since September 2013, the Ministry of Defence has reported that a new contract has been agreed with the Aircraft Carrier Alliance. Announcing this new contract in Parliament on 6th November 2013, the Secretary of State confirmed that it was based on a detailed analysis of costs, and on improved commercial terms that provide stronger incentives for the shipbuilding industry to construct the ships to the agreed budget.

One project went from an amber/red rating to a red rating between September 2012 and 2013. This was the Information Systems and Operational Technology project to upgrade the IT used by the Serious and Organised Crime Agency (SOCA). The red rating was due to a part of the upgrade being delayed, and a correction plan is being developed with the supplier. SOCA ceased to exist in October 2013 and the project is now within the National Crime Agency (NCA). The project is still on track to achieve savings of £213m over 10 years.

Analysis of the projects in the GMPP demonstrates that, on average, projects with higher total costs and a longer lifespan have a lower DCA, which is unsurprising given the greater complexity of more costly and longer-lived projects. Furthermore, the number of projects that we rate green or amber/green decreases in the very early stages of planning, but increases as projects approach their planned completion dates. It is likely that this represents an initial recognition of the challenges that need to be addressed in a project, followed by increasing delivery confidence as solutions are identified.

Improving our delivery of major projects

We have made some valuable progress in improving our approach to major projects, including through the world-leading Major Projects Leadership Academy. But we still have much to do to become excellent at delivering projects, particularly in planning and prioritisation, as well as further improving the skills and accountability of project leaders.

Over the last three years, delivering major projects has had a higher profile within government, enabling problems to be recognised and addressed. Over 500 independent assurance reviews have resulted in recommendations that have improved the delivery of many of the most important projects, while the Major Projects Leadership Academy (MPLA) has made a significant contribution to the development of project leaders. We will continue our drive to deliver these important projects more successfully.

Developing world-class project leaders across government

Look at any successful project and you will find a good leader. Projects need leaders with the ability to manage complex relationships, to prioritise among alternative approaches, to allocate scarce resources, to pick the right people for the right teams, and to solve problems as they arise. Leaders need good business sense and the right experience, and they must be able to motivate and inspire their teams. We will build and develop our cadre of project leaders, creating a recognised profession of experts who can move across government to deliver our most important projects.

In 2012, we established the world-leading MPLA in partnership with the Saïd Business School at the University of Oxford. The MPLA is now an important contributor to the government's Civil Service Reform programme. To date, 200 project leaders have taken part, and our objective is that all eligible leaders of the government's major projects will have started or completed the programme by the end of 2014. Leaders from across government who have participated in this programme have reported that it has helped them improve the delivery of their projects.

"Investment of time and resource in a rigorous process at the outset is essential for success, and deficiencies cannot be recovered later."

Lord Browne of Madingley, Government Lead Non-Executive

Given its success to date, the MPLA will continue to be central to our development of leaders of major projects. In addition, we will expand and deepen our work to develop project leadership across government. We will also develop specific training around particular challenges such as IT and transformation programmes.

Leaders also need excellent teams around them to deliver projects, so we are working on a programme to develop and support project delivery skills at every level, in particular through the Civil Service Project Leaders Network, established in March 2012, which allows for best practice to be shared across government.

Clear accountability

Developing leaders with the right capability is just one part of the story – they must also be given the accountability and authority to lead their projects. Complex accountability structures and unclear lines of responsibility within our major projects can make delivering them more challenging. Senior Responsible Owners (SROs) are the key individuals across government charged with leading projects. We will work progressively to increase the clarity that we provide to SROs over what they are required to deliver, supported by the decision-making responsibilities to accompany this.

Rigorous upfront planning and assurance

Being clear about the objectives at the start of a project is fundamental to success, accompanied by a rigorous process to ensure that a range of options are considered as to how these objectives can best be achieved. We already have rigorous processes by which major projects are developed and approved, built around a series of approval points in departments and the Treasury. But there is always room for improvement, and over the coming year we will continue to improve the process by which major projects are initiated. As part of this, we will be looking at the management of the overall portfolio of projects by department, helping departments match their objectives to the resources they have available, and ensuring that the collection of projects across a department works as a whole to deliver policy objectives.

Developing an open culture

Delivering projects of the complexity of those in the GMPP requires a recognition of the challenges involved – because it is through such openness that solutions can be found. This can only happen in an open culture, where those responsible for delivering projects feel able to raise issues as and when they arise. Our transparency agenda, exemplified through the MPA's Annual Report, is a crucial component of this culture of openness.

"A whole new dimension to leadership training"

What project leaders are saying about the Major Projects Leadership Academy (MPLA)

The MPLA's curriculum is designed and delivered by international business leaders and academics. A core part of the programme is to get participants learning from "the world's best" project leaders. Amongst the senior leaders who have led MPLA discussions are Sir Ian Cheshire, Group Chief Executive of Kingfisher; Adrian Ewer, former Chief Executive John Laing; and Lord Browne, former Chief Executive of BP.

Paul Chapman
MPLA Academy Director

340 participants by the end of 2014, increased from 169 at the end of 2013.

Leaders from over **45%** of our major projects have participated in the MPLA

" The MPLA has undoubtedly taught me some new and relevant concepts and given me new enthusiasm about the power of academic rigour. If the MPLA makes only a small difference to the outcome of this £15bn+ acquisition programme, given that the impacts and costs reach 50 years into the future, then the leverage is huge."

Rear Admiral Henry Parker
Director, Carrier Strike, MOD

"What I have learnt is being felt every day in how I lead my team and drive the performance of my part of the organisation. I am more skilled in managing the working environment and challenging the internal norm."

Dorothy Brown
Director Workforce Management/HR Director Enforcement & Compliance, HMRC

Francis Maude, Minister for the Cabinet Office, with Dominic Cook, one of the MPLA's external lecturers with commercial expertise

The MPLA team briefs Danny Alexander, Chief Secretary to the Treasury

"The MPLA brings a whole new dimension to leadership training – the first programme to address the unique issues around delivering major projects and an essential qualification for SROs and Directors of the Government's mega-projects."

Ray Long
Director, Corporate Services Change, HMRC

"Over the last six months I have become more forensic in my approach to planning projects and have challenged others more on the quality of information they give me. This has already yielded significant financial savings on my project."

Michael Hurn
Director, Project Sponsorship – Technical & Commercial, HS2 Group, Department for Transport

Sir Bob Kerslake, Head of the Civil Service, speaking to MPLA participants

Statistical annex

The data on the Government's Major Projects Portfolio

Under the government's commitment to transparency, the data that is recorded by departments for projects in the GMPP is published by departments annually at the same time as the publication of the MPA's Annual Report.

This data is: the MPA's DCA; financial data; schedule data; and the departmental commentary on each of these. The data published this year was submitted to the MPA in September 2013, with exemptions to the publication of data permitted only under exceptional circumstances and in line with Freedom of Information requirements. In a small number of the most sensitive projects, these exemptions are made on grounds of national security. The majority of exemptions are made for projects that are undertaking commercial procurement exercises, where publication of data would harm our ability to secure value for money for the taxpayer. Fewer pieces of data have been exempted from publication this year than at the time of our last Annual Report – only 12% of projects have had one or more pieces of data exempted, compared with 21% last year.

In February 2014, the NAO published a memorandum on the MPA Annual Report 2012-13.[1] The NAO recommended that future annual reports include more analysis of the published data, and this has been done in this Annual Report.

Interpreting the published data

Some context is required to be able to understand the data provided in the Annual Report. In particular, we need to take care when drawing direct year-on-year comparisons in the data given the changing nature of the portfolio.

- The projects in the GMPP change from quarter to quarter. Since last year's report, 39 projects have left the GMPP – typically because they have been completed or have moved into their business-as-usual phase, or because they have been halted or strategically organised into larger programmes that contain a number of similar projects associated by their common aim. In addition, 47 extra projects have joined the GMPP since September 2012. These include both new projects that have just been initiated and existing projects that have been escalated either in scope or in strategic priority. As a consequence, comparison of the September 2012 data with the September 2013 data is a comparison between two groups of projects which have significant differences in composition.

- Changes can also occur within projects over the course of a year. For example, the scope of a project may be significantly increased and, as a consequence, the forecast cost may increase. The increase in budget year-on-year in this case would not represent an increase in costs for the achievement of the same objectives.

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1 Major Projects Authority Annual Report 2012-13 and government project assurance, National Audit Office, 2014.
   Available at: https://www.nao.org.uk/report/major-projects-authority-annual-report-2012-13-and-government-project-assurance/.
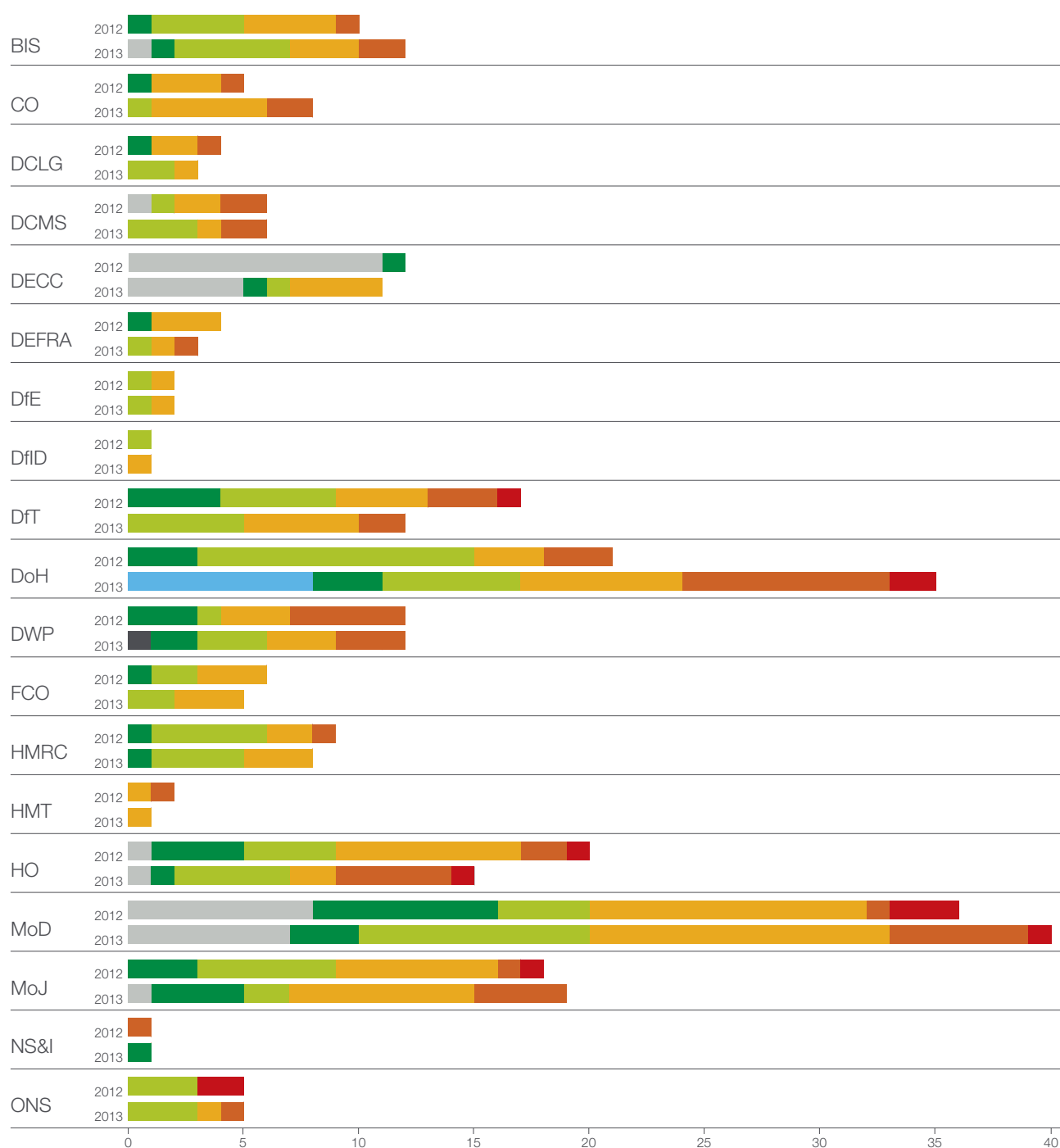
Figure 9

The delivery confidence assessment of projects by department. The projects being delivered by departments change from year to year, as some projects leave and new projects join the GMPP. The data in figure 9 does not therefore show a comparison for any given department between the same projects.

Legend: Green | Amber/green | Amber | Amber/red | Red | No DCA[1] | Exempted[2] | Reset[3]

1 Eight of the projects in the DoH's GMPP portfolio consist of the construction or upgrading of hospitals and health facilities. These projects are not being delivered by the DoH, but by NHS Trusts and Foundation Trusts. As these projects involve significant levels of DoH funding, or (for PFI schemes) a DoH guarantee of funding, the financial data for these projects are therefore reported in the GMPP. However, as these projects are not being delivered by the DoH, the MPA does not currently provide assurance for them. As a consequence no MPA DCA is provided for these projects.
2 This refers to data not published by departments, in accordance with the agreed transparency policy. See page 18.
3 The 'reset' category has been applied to the Universal Credit project. We have undertaken significant work to develop a 'reset plan' to place the roll-out of Universal Credit on a more secure footing, and the 'reset' DCA reflects this new status of the project.

Summary of data for all projects on the GMPP

The distribution, by number of projects, of delivery confidence across the government's portfolio in September 2012 and September 2013

|	No DCA	Exempt	Reset	Green	Amber/green	Amber	Amber/red	Red
Delivery confidence, September 2012	0	22	0	32	49	58	23	8
Delivery confidence, September 2013	8	15	1	17	54	63	37	4
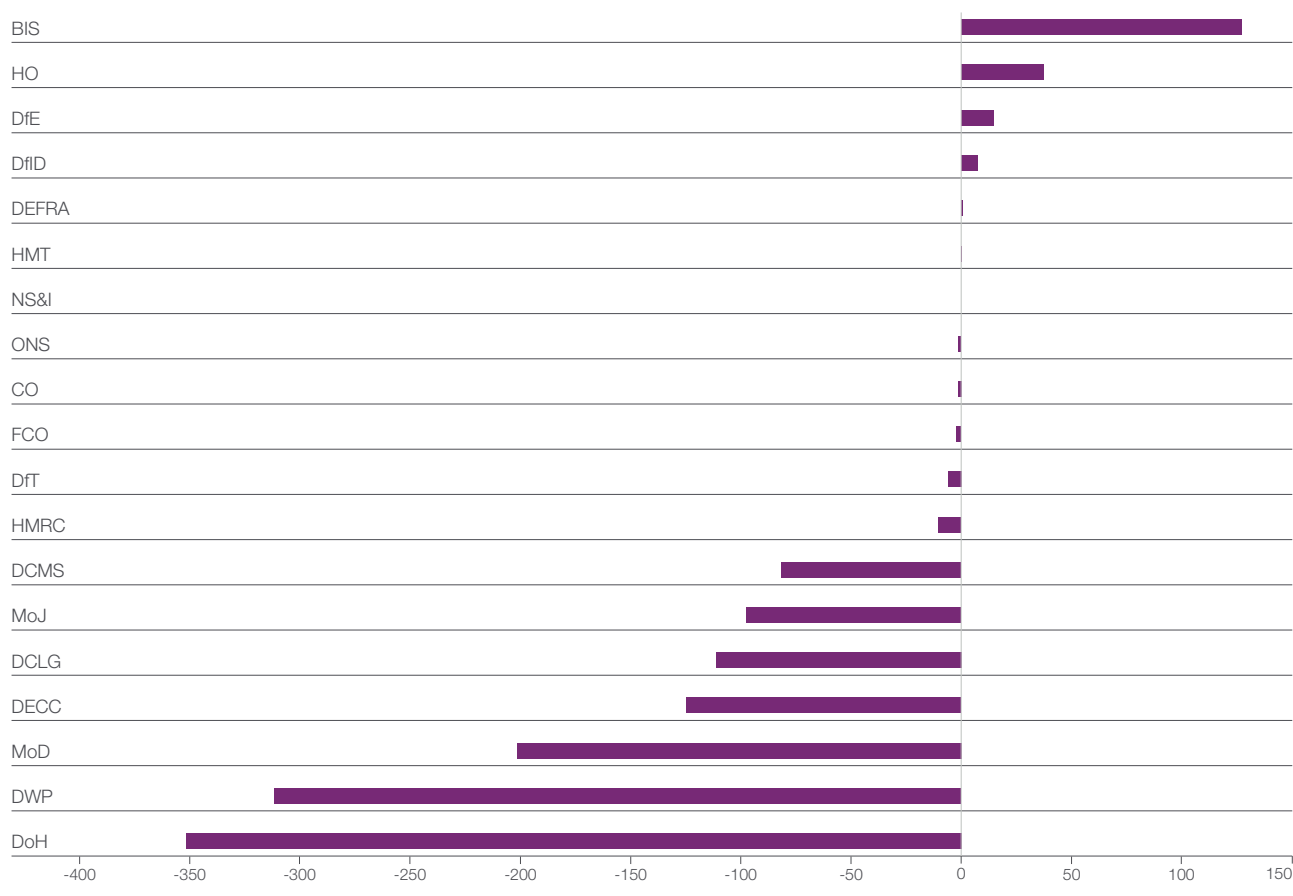
Figure 10

Difference by department between annual budget and annual forecast spend as estimated at September 2013, £m. Forecast under-spend can be caused by a number of factors such as delays or changes to project schedule, redefinition of projects, or identification of savings.
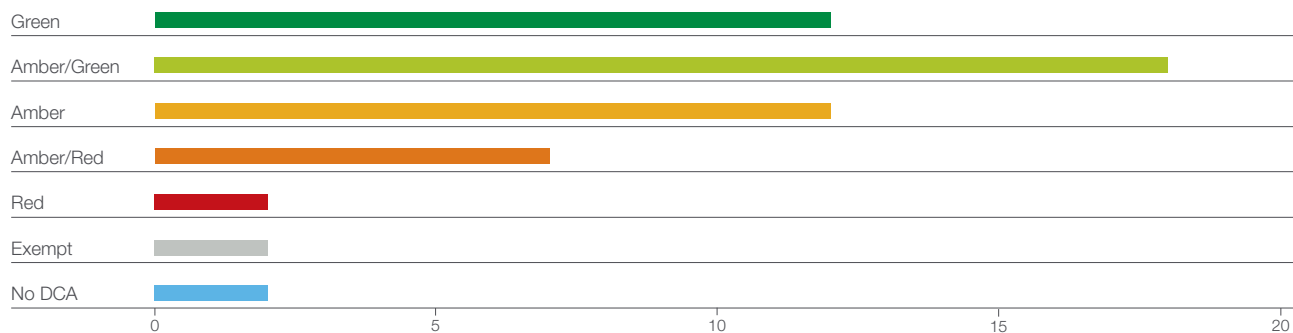
Figure 11

The delivery confidence assessment in September 2013 of the projects scheduled to complete by the end of September 2014
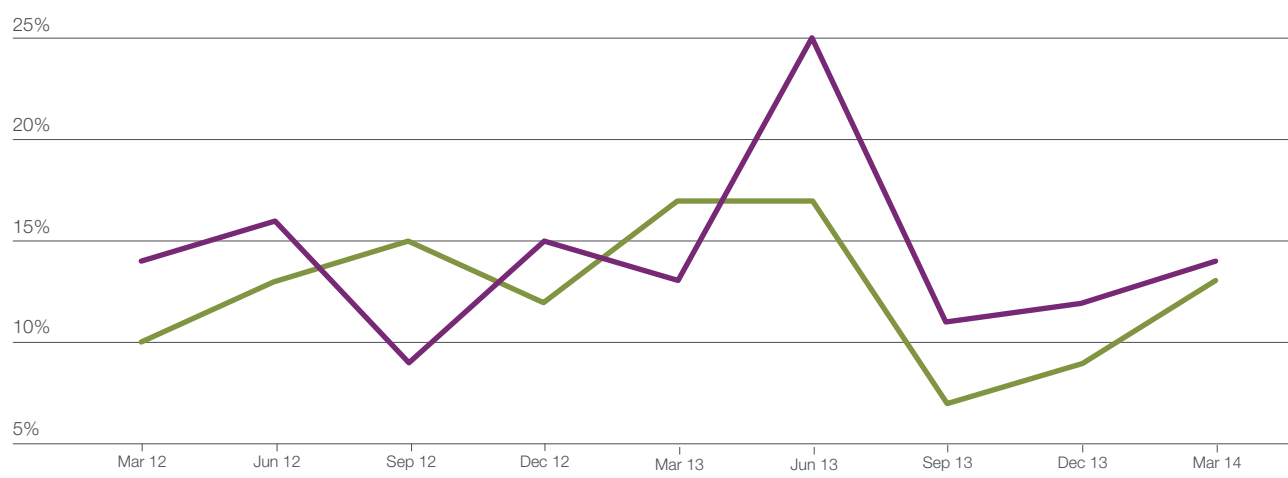
Figure 12
**The % of change in Project Senior Responsible Owners and Project Directors across GMPP projects
at each quarter.** The MPA collects information on project leader turnover as part of discussions with departments
on project leadership capability and planning.

—— Project Director change   —— Senior Responsible Owner change

Departmental data

Department	Number of major projects September 2012	Number of major projects September 2013	Whole life cost (£m) excluding exempt data September 2013
BIS	10	12	14,374
CO	5	8	1,412
DCLG	4	3	281
DCMS	6	6	1,431
DECC	12	11	94,794
DEFRA	4	3	4691
DfE	2	2	10,192
DfID	1	1	445
DfT	17	12	83,808
DoH	21	35	24,536
DWP	12	12	13,422
FCO	6	5	577
HMRC	9	8	1,382
HMT	2	1	0
HO	20	15	5,374
MoD	36	40	135,767
MoJ	18	19	4,796
NS&I	1	1	678
ONS	5	5	647
Total	**191**	**199**	**398,607**

Description of Delivery Confidence Assessment (DCA) ratings

Green	Successful delivery of the project on time, budget and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.
Amber/green	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, require management attention. These appear resolvable at this stage and, if addressed promptly, should not present a 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 with 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.

Key of department names

BIS	Department for Business, Innovation and Skills
CO	Cabinet Office
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
DECC	Department of 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
DoH	Department of Health
DWP	Department for Work and Pensions
FCO	Foreign and Commonwealth Office
HMRC	Her Majesty's Revenue and Customs
HMT	HM Treasury
HO	Home Office
MoD	Ministry of Defence
MoJ	Ministry of Justice
NS&I	National Savings and Investment
ONS	Office for National Statistics