



National Audit Office

The BBC's management of three major estate projects

Methodology

JANUARY 2010

Methodology

This report examined the BBC's management of three estates projects and whether they are being delivered in line with the expectations at the time the commitment of resources was approved. We compared the BBC's approach to managing the three projects against a framework of industry good practice.

The detailed elements of our methodology were:

Selected method	Purpose
<p>1 Developing the NAO good practice framework</p> <p>We developed a framework of good practice by drawing on existing guidance and established frameworks for managing large capital projects and maturity models for asset management strategies.</p> <p>Specific sources reviewed include :</p> <ul style="list-style-type: none"> ● Creating Excellent Buildings. A guide for clients (The Commission of Architecture and Build Environment, 2003). ● Private Finance Initiative: Construction performance (NAO, 2003). ● A Framework for evaluating the implementation of Private Finance Initiative projects (NAO, 2006). ● Improving performance project evaluation and benchmarking, Achieving Excellence in Construction Procurement Guide (Office of Government Commerce, 2008). ● Asset management toolkit (PricewaterhouseCoopers LLP, 2008). ● Property Asset Management Capability Assessment Model (NAO and OGC, 2009). ● Relocation matrix (Deloitte, 2009). 	<p>To test the robustness of the BBC's asset procurement and management approach in each of its three programmes.</p>
<p>We then constructed 200 auditable questions that covered the following areas:</p>	
<p>Developing robust business cases:</p>	<p>Managing the projects effectively:</p>
<ul style="list-style-type: none"> ● Defining business needs ● Appraising options ● Developing business cases 	<ul style="list-style-type: none"> ● Establishing governance structures ● Resourcing the project ● Managing the programmes

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ARUP were our consultants on this study.	We engaged external consultants to: Validate the appropriateness of our good practice framework and review our conclusions.
2 Fieldwork	To collect evidence on whether the BBC has followed good practice in managing its estate programme.
The fieldwork for this report took place between June and September 2009 and involved:	
2.1 Semi-structured interviews with senior BBC staff	To gain a user understanding of the facilities both in terms of the accommodation and technology. To get answers to the relevant questions posed in our good practice framework.
Interviewees were chosen on the basis of their knowledge of the project.	
We interviewed senior BBC individuals including:	
<ul style="list-style-type: none">● Deputy Director General● Chief Operating Officer● Director Property● Chief Executive Worldwide● Project Director for Broadcasting House (Phase 2) and Salford Quays● Director BBC Scotland	
We interviewed a further 32 staff associated with the three projects including Heads of Finance, Technology, Operations, Media management, BBC People and Programme Directors. In addition, we interviewed the Trade Unions.	
2.2 Review of key documents	To gain key information in areas of our good practice framework.
We carried out an extensive review of relevant BBC documents including:	
<ul style="list-style-type: none">● BBC Trust and Corporate Finance papers● Papers prepared by Internal Audit and BBC advisors● Post evaluation report for Pacific Quay● Papers relating to the BBC project development and management processes● Minutes of Board meetings● Monthly project reports	

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<p>2.3 Semi-structured interviews with BBC's external stakeholders</p> <p>We interviewed the following stakeholders:</p> <ul style="list-style-type: none"> ● Land Securities Group (Broadcasting House and Pacific Quay) ● Peel Holdings Limited (Salford Quays) ● Siemens (Pacific Quay and Salford Quays) ● Bovis Lend Lease (Broadcasting House, Pacific Quay and Salford Quays) 	<p>To obtain external views on how the projects are/were being handled by the BBC.</p>
<p>2.4 Surveys of BBC staff</p> <p>The surveys content was developed by the NAO and distributed online to a sample of 40 BBC staff. 20 staff from Broadcasting House, 10 from Pacific Quay and 10 from Salford Quays.</p>	<p>To draw on views of BBC staff to help support conclusions reached from the interviews and document review. In particular we sought feedback on the extent to which staff were consulted and kept informed.</p>
<p>2.5 Visits to project sites</p> <p>We visited Broadcasting House, Pacific Quay and Salford Quays and interviewed staff involved in delivering the projects.</p>	<p>To get a first hand experience and better understanding of the BBC's estate programmes.</p> <p>To understand the scale of the buildings.</p> <p>To speak to the contractors.</p>