Home Office

Management of Major Projects

Our vision is to help the nation spend wisely.

We promote the highest standards in financial management and reporting, the proper conduct of public business and beneficial change in the provision of public services.

During the last decade, the Home Office (the Department) has moved from being predominantly responsible for policy to being in charge of the delivery of a large number of major projects.

Contents

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Summary

1   During the last decade, the Home Office (the Department) has moved from being predominantly responsible for policy to being in charge of the delivery of large numbers of major projects. It currently manages a portfolio of over 30 major projects with an estimated total lifetime cost of £15 billion; more than any other central civil government department. A summary of the six case studies we have examined is at **Figure 1**, and gives a snapshot of the kinds of large, complex and risky projects which affect the whole nation, as well as the more specialised projects under way.

Figure 1
Description of the six case studies examined

Project	Description	Forecast Whole Life Cost at 31 January 2009 (£m)
Olympic Safety and Security	Delivered by the Office for Security and Counter Terrorism, this project aims to minimise safety and security threats and risks and in the event of any incident, to respond effectively.	600.0
Mobile Information Programme	Delivered by the National Policing Improvement Agency, the programme is providing hand-held devices for police officers to reduce time spent on paperwork.	50.0
IMPACT	Delivered by the National Policing Improvement Agency, IMPACT will improve the police's data-sharing capacity in response to recommendations in Sir Michael Bichard's report following the Soham murders.	326.9
ID Cards for Foreign Nationals	Delivered by the UK Border Agency, the project provides biometric residence permits to Third Country Nationals and dependants when they apply for an immigration decision, for example, further leave to remain in the UK.	194.8
e-Borders	Delivered by the UK Border Agency, the e-Borders Programme will electronically collect and analyse information from carriers (airlines, ferries and rail companies) about everyone travelling to or from the UK.	1,114.5
National Identity Scheme	Delivered by the Identity and Passport Service, this programme aims to create an easy to use secure form of personal identification for UK citizens.	4,785.0

Source: National Audit Office

NOTE
Costs exclude depreciation and interest on capital.

2   The National Audit Office and the Committee of Public Accounts have both previously reported on individual projects managed by the Department, and have made recommendations aimed at improving project management. The Department has taken steps to improve. In 2003, it established both the Group Investment Board to approve and monitor all major projects, and a Programme and Project Management Centre of Excellence to develop a better skill base in programme and project management, to identify and develop good practice, to provide practical advice and assurance, and to support the Group Investment Board.

3   The Group Investment Board and Centre of Excellence have now had time to become established, and this report evaluates the Department's overall approach to managing its major projects and the new processes it is putting in place[1]. To do this, we used elements of the Office of Government Commerce P3M3™ model which the Department is trialling to assess the maturity of its implementation of portfolio management[2]. In particular we looked at:

●   the Department's approach to delivering its portfolio of major projects;

●   the Department's approach to monitoring its portfolio; and

●   whether the Department has the skills and capability to manage and deliver its portfolio of major projects successfully.

Key Findings

On the Home Office's approach to delivering its portfolio of major projects

4   **The Department has put considerable effort into the management of its major projects.** The consequent improvement has been reported on in successive capability reviews, and in reports by the National Audit Office and the Committee of Public Accounts.

5   **Individual Home Office board members are responsible for delivery of major projects as part of their devolved authority for their delivery arms.** The Director General for Strategy and Reform is Head of Profession and Board-level champion for Programme and Project Management within the Home Office, whilst the Director General for Financial and Commercial is the Board-level Chair of the Group Investment Board.

6   **The governance structures of the case study projects we examined were appropriate and were regularly reviewed as the projects progressed.** Governance arrangements in two of those projects, Olympic Safety and Security and e-Borders, have been overhauled during the year to improve delivery.

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1   Major projects are those projects and programmes overseen by the Department's Group Investment Board, having forecast whole-life costs over £40 million or which are particularly important, high risk, novel or contentious, and which include a procurement element.
2   P3M3™ (Portfolio, Programme and Project Management Maturity Model) is an Office of Government Commerce model which may be used to gauge an organisation's practice maturity in the management of its portfolio, programmes and projects.

7   The Department has produced clear guidelines for programme and project management which align with recognised industry good practice, including Office of Government Commerce guidelines. These guidelines combine mandatory procedures, for example the approval process for projects, together with tools and templates to facilitate good project management. Development of programme and project management best practice is led by the Department's Centre of Excellence, which has ensured that guidance remains both current and suitable for the needs of the business.

8   The Department is improving its approach to providing assurance on project performance. The Department has set up an Integrated Assurance Group to bring together all the various ways of providing assurance so as to avoid duplication.

9   The Group Investment Board, which is a sub-committee of the Home Office Board, provides an important challenge to the business cases and subsequent progress of major projects. The need for project owners to gain approval and report regularly forms an important discipline, encouraging proper consideration of risks, costs and requirements. The quality of business cases presented to the Group Investment Board has improved, engagement with projects is constructive, and the level of scrutiny is appropriate.

On the Department's approach to monitoring its portfolio

10   Home Office Board level oversight of the portfolio of projects is being improved. Reporting of ongoing project performance to the Home Office Board, through the Programme and Project Monitoring System, has changed recently to provide a more detailed analysis of the performance of the portfolio. As the Department wanted changes in reporting to be cost neutral, the frequency of reporting has been reduced to quarterly to refocus resources on detailed analysis and challenge. The report offers little commentary on the impact of risks, their mitigation and ownership; the Department considers that relevant risks are picked up through its corporate risk management process. Given the Department's devolved approach to delivery, it does not intend to introduce a standard approach to presentation of information within business areas.

11   The Department has not kept a consolidated central record comparing outturn against estimates of its projects over time. The Department cannot therefore document that it has improved the management of its major projects in terms of performance against time and cost.

12   The work carried out to provide information on the performance of projects to time and cost should help the Department to establish the accurate baseline information that it needs. The Group Investment Board approves whole life costs, but also gives interim approval for expenditure prior to the main investment decision. The Department is improving data quality and the monitoring of actual expenditure against these Group Investment Board approvals through a consolidated central record. The Department is strengthening central monitoring of variances and forecasts as part of its developing portfolio management approach.

13   The assessed risk on programmes and projects included within corporate, delivery group and agency risk registers do not always align with the Senior Responsible Owner's assessment of deliverability submitted in the quarterly project reports to the centre. The Department has a corporate risk management process in which risks are escalated from projects, programmes and operations through business areas to the Home Office Board. A project owner might be confident of delivery and therefore assign a green rating to his or her project, yet the impact of the project-related risk on the Home Office, if the risk occurred, could be sufficiently serious to warrant a more pessimistic risk rating in the business area risk register.

14   Risk appetite has yet to be embedded in project and programme risk management in the Department. The Department has introduced the concept of risk appetite whereby risk owners assess the degree of risk that they are prepared to accept, determine whether they are comfortable with the actual level of risk being carried, and then put in place mitigating actions to bring actual risk into line with risk appetite. None of the individual projects we examined had recorded risk appetites within their project risk registers. The Department does not quantify risk, risk appetite or mitigating actions in financial terms either in its individual project risk registers or across the whole portfolio. The benefits of doing this are that the Department would understand whether or not it has taken on too much risk, would understand the cost implications of the risk being managed, and could make better value for money decisions about the spread of risk across its portfolio.

On skills and capability to deliver

15   The Department still has the potential for reducing the costs in staffing its major projects as it is heavily reliant on contractors and consultants, who currently fill over 30 per cent of posts on its major project teams. The Department has analysed its staffing requirements and how it competes in the labour market, and has launched a series of campaigns to recruit permanent staff with the skills it needs.

16   The Department is developing Supplier Relationship Management as a means of better engaging with suppliers to deliver improved value for money and has also taken steps within its Commercial Directorate to reduce reliance on consultants for the key commercial activities within projects.

17   The Department has put large effort into the development of programme and project management skills. Its leadership capabilities were rated strongly in the Procurement Capability Review. It has provided a suite of training and development initiatives on programme and project management, and has led in Government in the development of training for Senior Responsible Owners, which is now available across Government[3].

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3   A Senior Responsible Owner is the individual responsible for ensuring that a change programme or project meets its objectives and delivers the projected benefits.

18   The Department still needs to gain a comprehensive overview of staff skill sets in programme and project management to ensure that it has the flexibility to respond to changes in its operating environment. The Department faces both major change in the staffing of its major projects in the near future with new staff from its recruitment campaigns along with the pressures of potential budget reductions arising from the current economic situation. The supply and demand of programme and project management skills is therefore uncertain. The Department has started to put in place improved procedures for monitoring its staff resourcing and the capability within the business, so that it can deploy its programme and project management staff to best effect.

Value for Money Conclusion

19   The Home Office has taken positive steps to improve the way it manages its portfolio of major projects, and considerably improved its processes in a well thought through, structured and comprehensive way. It has introduced an improved approvals process, good practice guidance for projects, training for its staff and has made efforts to reduce reliance on consultants. It is making cost neutral improvements to its reporting and oversight of projects and is encouraging the adoption of portfolio management processes across its business. This is to be welcomed both for the Home Office, but also as a paradigm for the rest of government. Through these recent changes, the Department has increased the potential for achieving value for money in the management of its portfolio. In order to maximise the benefits, a robust management information regime needs to be set in place allowing prompt responsive action in order to drive the best value for money from across the overall portfolio of projects.

Recommendations

20   Against this background, we recommend the following:

a   The Department is introducing portfolio management incrementally starting with quarterly reporting to the Home Office Board and, in line with its devolved structure, encouraging business areas to introduce portfolio management in ways that best suit their business needs. This could result in business areas adopting different standards and interpretations, which could provide the Board with an inconsistent view of projects across the Department. The Department should:

- ensure that a consistent and integrated view of the portfolio is available to the Board;

- consider appointing a single point of accountability and ownership at board level with responsibility for implementing portfolio management; and

- continue periodic maturity assessments on the implementation of portfolio management, the results of which should be reported to the Board.

b   **Data for the Board should be validated and reconciled to make sure it is accurate and consistent across the portfolio of projects. Otherwise, there is a risk that the Home Office Board will not have the accurate information it needs to make strategic decisions affecting the management of major projects.** The Department should:

- maintain an accurate central record of major project approvals by the Group Investment Board. This central record should be used for reporting to the Home Office Board the total approval figures on the portfolio report rather than relying on figures provided by individual projects. This will provide greater independence and accuracy of data;

- embed the Portfolio Senior Review Group as an independent programme assurance function which periodically reviews the accuracy and appropriateness of data on the portfolio being reported to the Board;

- further develop the quality of data for the portfolio report by working with the business areas. The quality of project returns is currently variable and this poses a potential risk to the quality of the new quarterly report to the Board; and

- seek to automate the reporting of project performance to minimise the time and resources taken to produce the quarterly portfolio report.

c   **The Department has a new portfolio reporting process which includes each Senior Responsible Owner's assessment of their project's deliverability. Significant risks arising from its major projects are considered separately through the Department's corporate risk management process, alongside the risks to its day-to-day operations. The two processes, can provide two different views of a project. Also, the Department does not quantify risk, risk appetite or place a financial value on mitigating risk in project risk registers.** The Department should:

- reconcile Senior Responsible Owners' assessments with the project risks being reported through the corporate and business area risk registers and provide a consistent narrative to management;

- embed risk appetite within project risk registers;

- consider quantifying financial risks in programmes and projects and recording risk appetite in programme and project risk registers to enable greater transparency of the costs of taking mitigating actions; and

- minimise the cost of managing risks across the Department by identifying systemic risks and dependencies and encouraging business areas to cooperate in their mitigation.

Part One

Delivering the portfolio of major programmes and projects

The Department has put considerable effort into the way it manages major projects and programmes

1.1 The issues which the Department is dealing with, such as asylum or combating terrorism, are global and intractable. Solutions are often technically complex and risky to deliver. The Department uses projects[4] and programmes[5] to implement these solutions, but it is only in the last 10 years that the Department has undertaken a large portfolio of major projects. This part of the report outlines the problems faced by the Department in the past in managing projects and the structures which it has put in place.

1.2 The 2006 Cabinet Office Capability Review of the Department noted the scale of change undertaken. It expressed 'serious concerns' about the Department's ability to build capability and to plan, resource and prioritise its work, and identified the need for improvements to be made to the management of major projects. Improvements have been noted in subsequent reviews (**Figure 2**).

Figure 2
Findings of Capability Reviews

"Project and programme management capability needs to be strengthened, given the programme load on the Department…The shortfall in current capability is sometimes evidenced by the Department's over-reliance on external consultants to plug the gaps." *Capability Review of the Home Office, Cabinet Office*, July 2006.

"There has been a strong focus on improving programme and project management (PPM) capability, with over 700 staff having completed PPM training." *Capability Reviews: one year update, Cabinet Office*, July 2007.

"Despite considerable progress, led by the Board, in strengthening the Home Office's capacity to manage its major projects and programmes, there is more to do in extending and deepening programme and project management skills. This includes the management of portfolios of interdependent projects." *Home Office: Progress and Next Steps, Cabinet Office*, July 2008.

Source: Cabinet Office

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4   **Project:** A temporary organisation created to produce a unique and pre-defined outcome, or result, to a pre-specified timescale using pre-determined resources.
5   **Programme:** A group of projects that are selected or commissioned, planned and managed in a coordinated way and which together achieve a set of defined business objectives.

1.3 Four years ago, the Committee of Public Accounts[6] criticised both the Department's overall financial management and the management of its business, pointing to the need for leadership, clear strategy and, above all, effective delivery. Our 2009 report on Financial Management in the Home Office[7] concluded that the Department had made considerable progress in strengthening its financial management, but still needed to establish clearer links between the use of resources and service delivery outcomes, to improve individual project oversight and management of its broader capital programme.

1.4 Our 2007 report on Bicester Accommodation Centre, begun in May 2002 and which ended up being cancelled at a loss of £29 million[8], acknowledged developments that were already under way in project management, notably in the investment approvals process which is discussed in this report, and also identified a number of areas for improvement.

1.5 **Figure 3** overleaf sets out the responses, as they are covered in this report, which the Department has made from the programme and project management perspective to the main problems identified in the 2006 Capability Review.

Control of the portfolio of major projects and programmes

1.6 The Department operates a devolved structure for delivery of its business (**Figure 4** on page 13). The Permanent Secretary has overall responsibility and is accountable to Ministers for performance and delivery and to Parliament for the efficiency and effectiveness of expenditure. Individual Agencies and Non-Departmental Public Bodies, such as the UK Border Agency and the National Policing Improvement Agency, have devolved authority to deliver their business and exercise differing degrees of independence. Memoranda of Understanding and Framework Agreements define their authority and the approval, review and reporting processes to which they are subject.

1.7 Major projects are delivered both by the Department's centre and by its delivery groups, partners and agencies. Individual Home Office Board members are responsible for delivery of programmes and projects as part of the devolved authority for their respective delivery Agencies and Groups. The Director General for Financial and Commercial is the Chair of the Group Investment Board. The Director General for Strategy and Reform is the Head of the Programme and Project Management Profession within the Department, with oversight of project support activities. Both Director Generals sponsor the portfolio reporting activity.

6   Report by the House of Commons Committee for Public Accounts, *Home Office Resource Accounts 2004-05 and follow-up on Returning failed asylum applicants* (HC 1079, Session 2005-06).
7   Report by the Comptroller and Auditor General, *Financial Management in the Home Office* (HC 299, Session 2008-09).
8   Report by the Comptroller and Auditor General, *The cancellation of Bicester Accommodation Centre* (HC 19, Session 2007-08).

Figure 3
Problems and the Department's responses

Problems identified in the 2006 Capability Review

Leadership

- The new Board must now set a clear vision and sense of direction.

- Governance needs to be strengthened to enable the Home Office to operate as a single entity with a specific culture.

- The Home Office does not yet have the overall capability and the corporate services to meet the scale of the change it faces.

Strategy

- The new Board must strengthen the strategic coherence and affordability of the services for which the Home Office is responsible, with greater stakeholder involvement and ownership.

Delivery

- Further work is required to develop the capability to manage quality, performance and risk, particularly on cross-cutting issues. Roles and responsibilities should be further clarified and emphasis placed on integration between the businesses.

- Managing priorities is especially important because of the multi-faceted and demanding delivery challenges faced by the Department.

Programme and Project Management responses

Structure (Part 1 of this report)

- Structures, processes and principles in place to manage projects and programmes alongside day-to-day business.

- Centre of excellence, guidance and good practice tools and models.

- Introduction of portfolio management.

- Processes in place to provide assurance with plans for improvement.

- Improved processes for approving projects.

- Improved stakeholder management.

Information and Risk (Part 2)

- A new portfolio reporting system.

- Plans to improve financial monitoring.

- Development of corporate risk management.

- Plans to improve management of cross-project dependencies.

Skills and Capability (Part 3)

- Actions in train to reduce reliance on consultants and contractors.

- Leading the way in training and development.

- Improved identification and deployment of staff with project and programme management skills.

- Specialist recruitment.

- Standardisation through working with others in the project and programme management community.

Source: National Audit Office

Figure 4
The Home Office Operating Model

Home Office

Headquarters

Ministers and Home Office Board

Shared Services

Professional Services

Strategic Centre

Delivery Groups

Office for Criminal Justice Reform (Trilateral)

Office for Security and Counter-Terrorism

Crime and Policing Group

Delivery Agencies

Criminal Records Bureau

UK Border Agency

Identity and Passport service

Delivery Partners

Counter-Terrorism Partners

Non-Departmental Public Bodies including Serious Organised Crime Agency, National Policing Improvement Agency

Local Partnerships

43 Police Forces

Front-line service delivery to the public

1.8 The Permanent Secretary holds Operating Reviews with the heads of each main business area on a monthly basis, holding them to account on a range of performance issues. These include the delivery of programmes and projects, as well as finance, commercial, people management and communication issues. The Home Office Board as a whole is provided with a Quarterly Performance Review which draws together a picture of Home Office business, including programmes and projects. The Department has recently improved reporting procedures (see Part Two).

1.9 At programme and project level, the case studies that we examined had clear lines of authority and escalation procedures, and the projects we surveyed align with the Departmental Strategic Objectives. Governance of the e-Borders programme has been reworked to improve oversight of the programme and to separate operational delivery and stakeholder engagement. Olympic Safety and Security was transferred to the Home Office and reorganised to provide clear lines of authority, with decision-making and accountability clearly defined.

The Department's approach to Programme and Project Management

1.10 The Home Office Departmental Framework, published in May 2007, sets out how the Department will embed programme and project management, including principles (**Figure 5**), roles and responsibilities. It is the responsibility of the delivery Groups and Agencies to apply minimum Departmental standards across their units for programmes and projects in line with those principles.

Figure 5
Home Office Principles of Programme and Project Management (PPM)

- Effective and efficient PPM will tie programmes and projects into wider performance, risk, planning and decision making processes.

- PPM techniques will be applied flexibly and intelligently to the full range of change, reform and acquisition work led and managed by the Department.

- PPM resourcing will, where appropriate, be undertaken in a flexible manner with deployment across the Department in line with business priorities.

- Programmes and projects will be performance managed through effective, clear and consistent monitoring and forecasting processes.

- The Department will use lessons from programme and project successes and failures, (in the Department and externally in the public sector) to improve its PPM standards.

Source: Home Office Departmental Framework (May 2007)

1.11 The Department's Centre of Excellence, the Programme and Project Management Support Unit, provides a central support role with the purpose of improving delivery of major programmes and projects by addressing four key areas:

● providing a better skill base in programme and project management across the Home Office group;

● providing practical guidance on the consistent use of best practice techniques;

● ensuring that the group's portfolio of programmes and projects reflect priorities and resources, and that funds are properly allocated; and

● providing an assurance approach to detect major issues before they become crises.

1.12 The Centre of Excellence provides an intranet-based source of guidance, the *Home Office Programme and Project Information Toolkit*. This includes comprehensive best practice templates and tools for use in managing projects across the Department. The toolkit is aligned to Office of Government Commerce methodologies, including Managing Successful Programmes and PRINCE2™.

1.13 The Department, together with the Office of Government Commerce and National School of Government, developed a formal process, called Policy to Delivery, to establish how new policies should be implemented. The main part of the process is a facilitated workshop at which the Senior Responsible Owner and stakeholders arrive at a common understanding of what the policy is intended to achieve, the approach to delivering that policy and main priorities. Launched in early 2007, the process is mandatory for all new projects. It helps to address common causes of project failure, notably by establishing a clear link with organisational priorities, senior ownership and effective engagement with stakeholders.

1.14 Major projects require a significant amount of administration, information, and control processes. In the past, support offices were established as projects started, with limited guidance on what form they should take. The Department has developed a Programme Management Office model for setting up such offices, consistent with Office of Government Commerce guidance, to share good practice and achieve efficiency savings. The model has been used to review existing structures including in the Serious Organised Crime Agency (where annual resource savings over £1 million were identified), the Office for Security and Counter-Terrorism, and UK Border Agency's Points Based System.

Introducing Portfolio Management

1.15 The July 2008 Capability Review noted that the Department needed to do more in managing portfolios of interdependent projects. The Department has, therefore, started to develop its approach to portfolio management. The Department has decided, however, that it would be inappropriate, given the differences in the nature and context of its constituent businesses, to adopt a single standard approach. Individual business areas are introducing their own approaches to portfolio management. The National Identity Scheme, for example, has developed a comprehensive set of metrics covering the constituent programmes with which to provide information to the Scheme Management Board. The Office for Security and Counter-Terrorism has established a portfolio office and its monthly management report has a clear purpose. The UK Border Agency, the National Policing Improvement Agency, and the Serious Organised Crime Agency have also been developing their approaches to portfolio management.

1.16 There is no single board member owning the implementation of portfolio management across the Home Office. Centrally, however, the Department is strengthening its oversight of the Departmental portfolio through the creation of:

- a Corporate Portfolio Office to oversee portfolio reporting to the Home Office Board; and

- a Portfolio Senior Review Group, consisting of representatives from the delivery Groups and Agencies and key central corporate functions, to review and comment on quarterly reports submitted by projects, and contribute to the reports to the Home Office Board.

1.17 The Office of Government Commerce has developed the P3M3™ approach to assess maturity of implementation of portfolio management. The Department intends to trial this model with a view to conducting a maturity assessment of how well its business areas are implementing portfolio, programme and project management. This should serve as the basis for planning further improvement.

Assurance

1.18 All major projects are subject to independent review at key points in their lifecycles, to provide assurance on delivery and recommendations for improvement, through a process known as Gateway Review, led by the Office of Government Commerce. The Department has delegated authority to perform Gateway Reviews on medium risk projects whilst high risk project reviews are conducted by the Office of Government Commerce itself. The Department tracks Gateway Review assessments and recommendations to monitor trends and requires projects to produce and implement action plans in response. Accountability for this lies with the relevant Senior Responsible Owners but the Centre of Excellence monitors and reviews action plans, providing both challenge and support to projects. Action plans for high risk programmes which gain a delivery confidence rating of Red or Amber Red are subject to further review, known as Assurance of Action Plan, by the Office of Government Commerce.

1.19 There is a range of assurance providers within the Department who review major projects, for example, internal audit, the Chief Information Officer's team and the commercial team. The Centre of Excellence has recently introduced an Integrated Assurance Group. The aim is to develop a coordinated approach with an assurance strategy, prioritise assurance resources based on areas of greatest risk, pool information and provide a more detailed understanding of project performance and make best use of assurance interventions and specialist support. It is intended that the Group will inform portfolio reports, providing the Board with access to independent assurance.

Approval of projects within the portfolio

1.20 In 2003, the Department set up the Group Investment Board, a sub-Committee of the Home Office Board, to take responsibility for approving and monitoring all major projects across the Department, its Agencies and Non-Departmental Public Bodies. Membership of the Group Investment Board is drawn from across the Department. **Figure 6** outlines when projects are considered by the Group Investment Board.

1.21 Before giving its initial, interim and full approval, the Group Investment Board will consider projects against a number of criteria, contained in a business case, covering:

● business need and priority;

● affordability;

● value for money;

● technical viability;

● procurement strategy; and

● project management and capacity.

Figure 6
Stages at which the Group Investment Board considers projects

Generally, there are five stages when a project is considered by the Group Investment Board:

● Initial approval following production of a Strategic Outline Case.

● Interim approval in response to an Outline Business Case (usually on development of the commercial case, prior to starting procurement process).

● Full approval on the basis of a Full Business Case – the main investment decision.

● Regular reporting through project finance returns, which now feed into a portfolio view.

● Post Implementation Review – also known as the Return on Investment Report.

For programmes a tailored approach is agreed based on the above principles.

Source: Home Office

1.22 The Department's Centre of Excellence briefs Group Investment Board members on the business case following assessments from experts in resource and planning, commercial, information, economic and financial, HR, programme and project management, scientific branch, and estates planning staff, as appropriate. The Group Investment Board then provides challenge and may require the project to do further work. If approval is given, the Board agrees an 'Approvals Envelope' for the project that states the output expected, the cost to which the project should be delivered, and the date by which the project should be implemented. A tolerance is usually given for both the cost and delivery date; if the project goes outside the Approvals Envelope then it must return to the Board.

1.23 The approvals process is an important discipline for those working on projects and programmes. The Department has provided clear guidance on how business cases should be developed. There is constructive engagement between project staff and the Centre of Excellence and the quality of business cases is improving, with scrutiny around substantive issues of specification, cost and risk rather than more basic issues of structure and content. The Group Investment Board provides effective challenge to business cases presented for approval. In the case of IMPACT and e-Borders, this process has commissioned new analysis and has led to significant changes in scope before the projects were allowed to proceed.

> *'The process is useful, if painful. So, in preparing to go to GIB you obviously have to be prepared for a whole range of questions, so it forces you to do a very thorough preparation, which is a good thing …… I think the GIB process is a very useful process to ensure rigour and just the fact that you are going to be scrutinised does make sure you give it the appropriate attention.'*

A project manager view on the Group Investment Board process

Supplier and Stakeholder Management

1.24 For the case studies we found that there are good professional relationships between the programme teams and suppliers. One programme, e-Borders, had been through relationship difficulties in its early stages arising from problems interpreting a detailed contract, lack of clarity over respective parties' obligations, and lack of alignment between the prime contactor and sub-contractors. A change in personnel, workshops at a senior level to thrash out the problems, and a new governance structure aimed to address these weaknesses. In April 2009 an internal audit gave a favourable assessment of progress. The Department is developing Supplier Relationship Management as a means of engaging better with major suppliers to deliver improved value and allow issues to be handled effectively and promptly.

1.25 The Department provides comprehensive guidance for programme and project stakeholder management through its online toolkit. This includes best practice such as stakeholder logs and databases. Advice on stakeholder management is included in training for Senior Responsible Owners. The Department also has a Stakeholder Management and Relationships Tool, an online system to record engagements beyond the Department and its affiliated agencies and share these internally. This is complemented by stakeholder managers who provide one to one support, training and advice on the Department's approach to working with stakeholders. The major projects we examined all involve stakeholders in the governance process, and there is proactive communications management.

Part Two

Monitoring the Portfolio

Central Monitoring of the Portfolio

The Previous Reporting System

2.1   Until July 2009, the Department monitored progress of its major projects monthly through its Programme and Project Monitoring System, administered by the Centre of Excellence. A monthly summary of performance was circulated to Home Office Board members, but was primarily used as an information source and was not discussed as an agenda item at Board meetings. Those major projects given a Red assessment rating by the Senior Responsible Owner were reported separately to the Board in the Quarterly Performance Report[9]. Regular reporting of project performance to senior management teams also occurs within business areas.

2.2   Provision of information for the monthly report was the responsibility of the Senior Responsible Owner. Although the data was subject to management review for the Case Study projects we examined, there was limited independent validation or assurance. Information was challenged by the Centre of Excellence and Commercial Directorate, based on their knowledge of the projects, but the level of resource for analysis was restricted, and there was little feedback to projects and programmes on reported performance.

Introduction of Portfolio Reporting

2.3   The Department has recognised the weaknesses in its processes for reporting on project performance and is taking action to address them. The Department wanted any changes in its oversight of major projects to be cost neutral and so the frequency of reporting has been reduced to quarterly to allow more detailed analysis and challenge. Since October 2009, the Home Office Board had a quarterly report providing them with greater analysis of the state of the portfolio of major projects. This report covers the following:

- Deliverability assessment: Senior Responsible Owner's assessment of deliverability mapped against Departmental Strategic Objectives.

- Portfolio Headcount: Analysis of Business area headcount on major projects.

9   A Red rating is the Senior Responsible Owner's assessment that the project is highly problematic and requires urgent and decisive action.

- Portfolio Finance: Tracking project expenditure and lifetime forecasts for each business area against approvals given by the Group Investment Board.

- Portfolio Dependency: Showing where and when there are critical programme deliverables upon which other programmes depend.

- Commercial Assessment: Providing an assessment of deliverability of those projects/programmes supported by the Commercial Directorate, mapped against business areas.

- Cost/benefit ratios: The cost/benefit of each programme and project is noted.

2.4 If individual aspects of the report do not align, for example, where the Senior Responsible Owner deliverability assessment differs from the commercial assessment, it will be important to analyse differences and provide supporting narrative to the Board. The report offers little commentary on the impact of risks, their mitigation and ownership. The Department considers that relevant risks should be picked up separately through its corporate risk management process.

2.5 The Department has decided that it would be inappropriate, given the differences in the nature and context of its businesses, to adopt a single standard approach at business area level to presenting performance information on project portfolios to management. Consistency and comparability of data at business area level and at Home Office Board level is, however, essential if the Department is to take decisions about relative priorities and make significant adjustment in expenditure across its portfolio.

Monitoring the financial performance of the portfolio

2.6 Until recently, the Department has not analysed the overall financial state of the portfolio. Although projects and programmes completed detailed financial returns each month, the Department's Finance function only had the resource to conduct limited analysis. In October 2009, the Department improved the reporting on its portfolio and now aims to improve its reporting on finances. The portfolio report will provide a top level view with project financial performance aggregated by business area, recording:

- forecast costs against the amount approved by the Group Investment Board and funding agreed at the business area level;

- forecast capital and resource expenditure for the next five years; and

- forecast capital and resource expenditure against the budget for the current financial year.

2.7 Financial information for projects is maintained on different bases for different purposes: the Group Investment Board gives approval on a whole life cost basis; business areas allocate budgets only for a Comprehensive Spending Review period. Project funding budgets recorded on the Department's accounting system will not necessarily reflect the whole life of the project, and some project spend falls outside the Home Office. The improved portfolio report should help monitor progress with expenditure against the budgets and approvals given. However, the Department recognises both that the quality of its data needs improving, that not all projects are fully reporting financial information, and that improved analysis is required in order to provide the Board with a useful commentary.

Monitoring the delivery to time and cost

2.8 As the Department did not hold easily accessible records of project approvals, we surveyed all major projects and programmes as at 31 January 2009, asking for details of their forecast delivery to time and cost. These are detailed at Appendix Two.

2.9 Thirteen programmes and projects have passed the main investment decision point. Of these, seven forecast to deliver or delivered under the level of investment approved (due to either scope reduction or savings during commercial discussions) and three forecast to deliver at the level approved. Two were in excess: for e-Borders this was due to an increase in scope and for Airwave London Underground there was an accidental omission of the cost of early work carried out prior to the business case being approved. We were not able to make an assessment for the Points Based System as it has not been possible to obtain data on which to make like-for-like comparisons, due to organisational changes in the UK Border Agency and its predecessor bodies.

2.10 Of the thirteen projects and programmes, five forecast to be delivered late or were delivered late (due either to changes to scope, obtaining site permissions or software development), six were within the timescales set by the Group Investment Board, and two delivered early.

2.11 Until February 2008 the outcome of Group Investment Board decisions had not been clearly communicated to project owners and staff. We found it a considerable challenge to validate and reconcile the time and cost envelopes that programmes and projects reported to us in their survey responses with records held by the Group Investment Board Secretariat. As the Department has not kept a consolidated central record of approvals, it has not been able to document improvements in the management of its major projects in terms of performance against time and cost.

> *"When I first went to GIB… we came away thinking we'd got approval but then when we got the written outcome of the GIB report, it kind of blanked us, so there was not that kind of clarity at that time. My more recent experiences of GIB have been much better – there are some really good and helpful members"*

A Senior Responsible Owner

2.12 The Department has now addressed this. The Secretariat now writes formally to the Senior Responsible Owner following a board meeting setting out what has been approved. Based on the work we have done, a baseline dataset of approvals is being created by the Secretariat as part of the new portfolio reporting arrangements by which expenditure and forecast expenditure on programmes and projects is compared against the amounts approved.

Monitoring and managing the risks

Corporate risk management

2.13 The Department's approach to risk management is outlined in the Department's Risk Management Policy and Guidance which was published in July 2007. The Guidance covers identification of risks, and encourages analysis from a number of perspectives: Public Protection, Financial, Delivery and Achievement of Objectives, and Reputation. Risks are allocated a rating on the basis of their impact and likelihood: Black (for the most severe) through Red, Amber, and Green. Risks are initially identified and managed at the project or programme level, and 'owners' are assigned for specific risks. As the severity or likelihood of a risk increases, it will be escalated, ultimately for the most serious risks, to the Corporate Risk Register which is reviewed by the Home Office Board.

2.14 The Department is working to embed risk management throughout the organisation. It has developed a Risk Management Maturity Model to measure the extent to which good risk management policies are being practised across the Department. A Risk Committee, chaired at Board level considers risk across the Department as a whole and has oversight of key corporate risks. This oversight provides additional scrutiny of project and programme risks, and planned mitigating actions. The Risk Committee has recently been strengthened by the addition of the Chair of the Home Office Audit Committee, who is a non-executive. Risk Committee members are the designated 'Departmental Risk Champions'. The Department has also set up a Risk Improvement Forum, comprised of Risk Coordinators, to oversee the risk management process, encourage compliance from individual business units, and support the Risk Champions.

Portfolio, Programme and Project risk

2.15 Visibility of individual project risks comes through the corporate risk management process, which allows risks to be escalated, and from the new portfolio reporting process which includes Senior Responsible Owner assessments of deliverability, intended to provide an indication of the overall achievability of projects. There is, however, no risk manager responsible for identifying and managing risks across the project portfolio.

2.16 Measures of performance collected through different processes do not always appear to be fully aligned. The Schengen Information System is designed to facilitate the exchange of criminality information with the EU, and the programme is building a UK system to connect to an EU-led central SIS system. There is now slippage in the EU-led system, and this may not be ready by the time that the UK system is complete. This is highlighted as a black risk in the programme risk register, and as a red risk in the Crime and Policing Group risk register. These two ratings appear compatible. However, the programme, in its portfolio report, assesses its overall deliverability as amber/green, which does not appear aligned with the risk rating, as, if the risk materialised, the policy outcome, interoperability with the EU system, would not be achieved. The Department would argue that the programme is on track to deliver everything within its control, and that this supports the amber/green status. In situations such as this, where there is a positive deliverability assessment but with a significant risk recorded in the relevant directorate or corporate risk register, there is a possibility that the Board will not get an informed view of the situation. To mitigate this, the portfolio report should highlight such risks against the programme's deliverability assessment. The Department accepts this and agrees that relevant analysis and reconciliation of the data provided by the two processes should be undertaken to provide the Board with an accurate picture of its risk exposure from the portfolio. The Department expects the new portfolio reporting system to address this.

Risk appetite

2.17 The Department's guidance defines risk appetite as "the organisation's tolerance for its exposure to risk. This literally means how comfortable or uncomfortable we are with the level of risk we are carrying and to what degree we are prepared, or what degree we can afford, to do anything about it." It further states that "the trigger for escalating risk is established by setting a threshold or upper limit dictating where a risk should be managed. This threshold reflects the Home Office's overall appetite in four key areas. If the threshold is passed, then the risk should be escalated". None of the projects we examined had defined risk appetites within their project risk registers.

2.18 The Department does not consider risk appetite as a whole across the portfolio of projects and programmes. It therefore does not have an assessment of the total risk inherent within the portfolio and how this compares with the amount of risk it is prepared to take on. As a result, the use of risk appetite is yet to be fully embedded within the Department. In the September 2009 audit report on risk management, the Home Office's Internal Audit function stated that there is an absence of defined risk appetite within some directorate and unit risk registers. The Department is currently taking steps to address this weakness and further guidance has been produced on assessing risk appetite.

2.19 In its risk registers, the Department does not quantify risk appetite or place a financial value on risk or mitigating risk in line with Office of Government Commerce guidance on the management of risk. The Department considers that such an approach would be difficult as its primary objective is public protection, and such estimations would place crude and simplistic values on public safety and peoples' lives. However, the Department is currently discussing whether to cost risks in the programme and project management environment to assess what the benefits might be.

Managing cross-project dependencies

"Despite considerable progress, led by the Board, in strengthening the Home Office's capacity to manage its major projects and programmes, there is more to do in extending and deepening programme and project management skills. This includes the management of portfolios of interdependent projects."

Source: Home Office: Progress and Next Steps, Cabinet Office, July 2008

2.20 With such a large portfolio of projects and programmes, there are inevitably overlaps between projects, including key risks, resourcing issues and stakeholders, and other dependencies where one project is reliant on another in order to be able to meet its own objectives. Identifying such dependencies can help effectively allocate resources to ensure that objectives are met to time and budget.

2.21 The follow up Capability Review on the Department in July 2008 concluded that the management of the portfolio of interdependent projects was one of the areas that needed improving. The Department has started to address this issue and has begun to identify the dependencies between its major projects, so that the Home Office Board and Group Investment Board can make investment decisions with a more complete picture of the impact of changes. This should also allow the Department to monitor more carefully the performance of projects, for example where the cost or timescale of a project may be adversely affected by other related projects.

2.22 The Department has recently issued guidance as to how dependencies should be identified and managed and is planning to update its reporting process to take account of this. Until recently, monthly reports did not identify project dependencies. This information is included in the new portfolio reports. Once portfolio reports are fully embedded, the Department will analyse key project dependencies and potential risk areas, including when and where dependencies arise and impact on Departmental Strategic Objectives. However the analysis does not consider what the dependency is and hence will not fully inform decision-making in terms of knock-on impact.

Part Three

Skills and Capability to Deliver

Reliance on consultants and contractors

3.1   Given the size of the Department's portfolio of major projects, it is important that the Department has in place the right skills and capability to deliver. The July 2006 Capability Review on the Home Office noted that 'The shortfall in current capability is sometimes evidenced by the Department's over-reliance on external consultants to plug the gaps.' The demand for skilled professionals has grown as projects move from planning to implementation. Despite investment in training of civil servants, the Department continues to place heavy reliance on external support for programme and project delivery (**Figure 7**), and use of external consultant and contractor support has remained consistently high at over 30 per cent of posts on major projects.

Figure 7
Analysis of staffing on major projects

Staffing in major projects
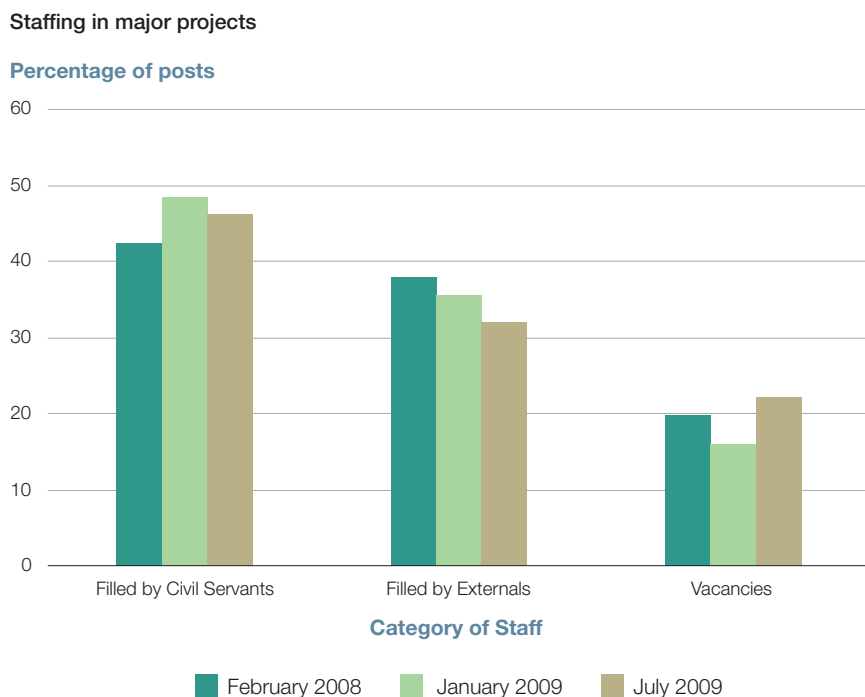
Source: Home Office

3.2   The Department is taking action to reduce its reliance on external consultant and contractor support. The Centre of Excellence has undertaken analysis with support from Human Resources, the Commercial Directorate, the Value for Money team and the major business areas into the use of external support and unfilled vacancies, together with how the Department competes in the labour market. Recruitment is under way. In Phase 1, from September 2008 to February 2009, the Department recruited 58 staff for the 85 project roles available, and further campaigns are under way to fill approximately 300 posts in 2010. The Department estimates the consequent saving from employing civil servants as opposed to contractors is approximately £86,000 per post.

3.3   The Department's Commercial Directorate is taking steps both to reduce its reliance on, and to improve the management of, consultants and contractors. It has developed an operating model to increase the capacity and capability of civil servants to support major projects. A 'flexible resourcing pool' is used where commercially experienced civil servants lead key commercial activities within projects, supported by specialist interim staff on pre-agreed terms whose numbers can be adjusted to meet the demand for professional commercial input, enabling knowledge to be retained within the Department. The Department has also established masterclasses on how to engage and manage consultancy services, and 80 per cent of senior civil servants in the Home Office have attended.

3.4   The key risk that the Department must mitigate, as contractors leave and posts are filled by civil servants, is that detailed project knowledge is not passed on and is lost. We found evidence of plans to address this risk within some projects, including manpower strategies for the IMPACT and Schengen Information Systems II programmes, which plan to achieve a better balance of consultants and civil servants over time.

Training and Development

Lead from the Home Office Board

3.5   In November 2008, the Office of Government Commerce Procurement Capability Review reported that several Board members have strong commercial and operational backgrounds in the public and private sectors and are well positioned to provide the necessary leadership of their own programmes and peer review other members of the Home Office Group.

3.6   The Board in turn has identified programme and project management as one of the five skills sets that are critical for future success and which are priority areas for development.

Training and Development Initiatives

3.7 The Department has developed a framework setting out the various skills that are needed by staff working in programme and project management posts. This includes the requirements set out in the Professional Skills for Government initiative. Programme and project management is also embedded within the Department's Core Competency Framework for staff.

3.8 Aside from its on-line toolkit, the Department has put in place several training and development initiatives to meet its programme and project management skills requirements. These include:

- A suite of training with some 600-700 students completing courses each year. This includes recognised industry products from the Office of Government Commerce and Association of Project Management as well as bespoke products and e-learning.

- The Department has led in the development of training and a qualification for Senior Responsible Owners, which provided the first such standard in the project management industry. The training is based on feedback from senior staff, who found that the training available was too detailed, as well as on feedback from reviews by the Office of Government Commerce on the need to improve leadership capability.

- The Department has developed an e-Forum for Senior Responsible Owners in response to feedback from the 2006 Capability Review that they needed an easy way to share issues and solutions at a senior level.

- A community of Project and Programme Management practitioners has been set up along with a mentoring scheme.

3.9 The Centre of Excellence runs programme and project management skills reviews. These provide an assessment of skills needed to deliver a project, including personal project and programme development needs, at any point during a project where future skills requirements need review.

3.10 The Department has in place processes for identifying best practice and disseminating lessons learned. Recommendations from Gateway Reviews on projects are analysed by the Centre of Excellence and trends inform the provision of guidance. The on-line toolkit provides guidance for an analysis of lessons learned to be produced by projects. These documents are expected to be sent to the Centre of Excellence for analysis. Examples are also published on-line in a Lessons Learned Library for use by other projects.

Future skills and capability needs

3.11 A key challenge that the Department faces is having the flexibility to respond to change, for example arising from a significant reduction in the Department's budget. The Department needs to strike the right balance between having sufficient skilled people, while having flexibility to accommodate change without losing skills and knowledge through redeployment and reductions in temporary staff and external support. The Department's Risk Committee has recognised the risk that the Department will not be able to manage changes effectively enough, and has considered introducing a new corporate risk relating to the pace of change in the workforce. This potential risk has been referred to the Department's Human Resource team for further consideration.

3.12 Whilst there is information about the programme and project management skills of some groups of staff and within some business areas, the Department does not have a comprehensive overview of staff who possess project and programme management skills and whether they are appropriately deployed.

3.13 The Department has recently started work to develop a centralised skills database. There is no central planning at the portfolio level of resource allocation so the potential to avoid bottlenecks by shifting resources from one part of the Group to another is limited. The Department has also improved the reporting of the staffing situation on major projects and programmes to the Home Office Board as part of the quarterly portfolio report. This now includes a portfolio headcount section reporting on the total number of programme and project management posts required for each business area, and providing information on how these are filled (the percentage of posts filled by civil servants and contractors/consultants and the percentage of posts that are vacant).

3.14 At Departmental level, there has been no regular analysis of planned against actual resource nor forward looking information on planned staffing levels; though projects are expected to provide comment on future plans going forward in their quarterly returns, this is not yet systematically analysed. The Department's new portfolio reporting should increase the attention to staffing issues associated with major projects, especially as equivalent figures have not routinely been considered at Departmental level before. By monitoring resource usage and identifying skills gaps, if properly analysed, the portfolio report could be a good tool for prompting top level action.

Appendix One

Methodology

Method	Purpose
Survey of 33 major projects across the Home Office group	To gather primary data on projects' forecasts of delivery to time and budget as at 31 January 2009. This information was compared against the parameters approved by the Group Investment Board to determine whether projects were delivering to the approved timescales and whole-life costs.
Literature Review	To gather information on the Department's current approach to introducing portfolio reporting and management, and to review the Department's risk management approach to determine whether project and programme risks are appropriately escalated and managed.
Interviews with the Programme and Project leads and a sample of project managers in the main business areas	To gather evidence on: ● the approaches taking place at business area level to manage portfolios of major projects; and ● the view at project manager level of the Home Office's approach to project management.
Interviews with representatives from the Office of Government Commerce	To gather external views on both the overall performance of and approach taken by the Home Office in managing its major projects.
Interviews with staff from central Departmental teams	To understand how central teams contribute to the provision of guidance on project management, the assessment of business cases, the management of and escalation of risk relating to major projects, and the financial oversight of the portfolio. Representatives from the following teams were interviewed: ● The Department's Centre of Excellence, the Programme and Project Management Support Unit ● Finance ● Commercial ● Performance Delivery Unit ● Economics and Resource Analysis Group

Method	Purpose
Semi-structured interviews with key staff from six case studies	We included six major projects as case studies to gather evidence on project management performance across the Department's business areas. We used a set of National Audit Office good practice criteria as the basis of the questions we asked to assess project management performance[10]. The case studies examined were: ● National Identity Scheme ● Olympic Safety and Security ● IMPACT ● ID Cards for Foreign Nationals ● Mobile Information Programme ● e-Borders

10 Report by the Comptroller and Auditor General, *Driving the Successful Delivery of Major Defence Projects: Effective Project Control is a Key Factor in Successful Projects* (HC 30, Session 2005-2006).

Appendix Two

Delivery to Time and Cost

Progress of Home Office Major Projects as at 31 January 2009

	Rating by Senior Responsible Owner (Jan 2009)	Strategic Outline Case[1]		Outline Business Case[2]	
		Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]
Completed Projects					
Airwave National Fallback solution – Cluster Hot Standby service		N/A	N/A	176.0	August 2007
Electronic Document and Record Management		N/A	N/A	49.6	
Home Office Estates Review		N/A	N/A	18.4	March 2008
Projects where the main investment decision had been taken by 31 January 2009					
Brook House	🟢 Green	570.0	October 2007	N/A	N/A
Harmondsworth	🟡 Amber/Green			184.0	August 2009
e-Borders	🔴 Amber/Red	Not estimated	Not estimated	1,400.0	Not estimated
Points Based System	🟡 Amber/Green	969.0	February 2006	1,200.4	July 2007
ID Cards for Foreign Nationals (Biometric Residence Permits)	🟢 Green	Not estimated	November 2008	Not estimated	November 2008
Cyclamen	🔴 Red	529.0	April 2006	471.0	January 2007
Airwave National Fallback solution – Ground Based Resilience Network	🟡 Amber/Green	N/A	N/A	128.0	December 2008

Full Business Case[3]		Forecast as at 31 January 2009		Difference between forecast and full business case		
Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]	(£m)	(months)	
191.0	August 2007	174.7	April 2007	-16.3	-4	Cost reduction following commercial discussions. Delivered ahead of schedule.
55.0	August 2007	35.0	July 2007	-20.0	-1	Project streamlined and deployment rate reduced in response to Home Office financial pressures.
14.4	March 2008	11.0	August 2008	-3.4	5	Reduced scope and reschedule of contract letting timetable following cut to implementation budget.
431.0	February 2009	431.0	March 2009	0.0	1	
171.0	July 2010	171.0	July 2010	0.0	0	
1,030.0	April 2009	1,114.5	June 2009	84.5	2	Increased scope to include Other Passenger Information.
Not estimated	October 2007	Not estimated	April 2008		6	Costs in early business cases included the then Immigration and Nationality Directorate operational costs. The organisational structure has since changed significantly to the present UK Border Agency. Later business cases have therefore concentrated on costs specific to the project as it has not been possible to allocate operational costs and compare whole life costs on a like-for-like basis.
199.5	November 2008	194.8	November 2008	-4.7	0	Reduction in IT and card services costs following negotiations with DVLA.
789.0	August 2009	789.0	December 2009	0.0	4	Delivery date missed due to delays in the availability of vehicle and air freight systems. The cost of the programme increased between Outline Business Case and Full Business Case due to an increase in scope.
172.0	December 2008	163.1	May 2009	-8.9	5	Cost reduction following commercial discussions. Delays due to problems acquiring permissions to site equipment.

Progress of Home Office Major Projects as at 31 January 2009 *continued*

	Rating by Senior Responsible Owner (Jan 2009)	Strategic Outline Case[1]		Outline Business Case[2]	
		Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]
Airwave London Underground	🟢 Green	N/A	N/A	126.0	September 2008
Vetting and Barring System	🔴 Red	N/A	N/A	N/A	N/A
Shared Business Services	🟡 Amber/Green	44.7	January 2008	44.7	January 2008
Projects where the main investment decision had not been taken by 31 January 2009					
IMPACT	🟡 Amber/Green	281.0	–	326.9	–
Immigration Casework	🟡 Amber/Green	240.5	March 2015	370.0	March 2015
Intercept Modernisation	🔴 Red	N/A	N/A	5,604.0	2014
Police National CBRN Operational Response Programme	🟡 Amber/Green	77.2	March 2010	84.3	March 2011
Mobile Information Programme	🟢 Green	–	–	50.0	September 2008
Schengen Information System II	🟠 Amber/Red	100.5	May 2010	223.0	October 2010
Independent Police Complaints Commission IT Retender	🟡 Amber/Green	N/A	N/A	71.9	August 2009
SOCA 2010	🟡 Amber/Green	898.0	January 2011	585.0	January 2011
SOCA KERNO Information Management	🟡 Amber/Green	N/A	N/A	47.8	October 2009
Olympic Safety and Security	🔴 Red	–	–	600.0	2012

Full Business Case[3]		Forecast as at 31 January 2009		Difference between forecast and full business case		
Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]	(£m)	(months)	
107.2	September 2008	142.3	September 2008	35.1	0	Expenditure on early works (£21 million) were not included in the figure approved by the Group Investment Board; and inflation increases (£10 million) were not included in the full business case. Increases in scope (£5 million) have not been submitted for a revised approval as costs were still within the approvals envelope previously set by GIB.
330.0	December 2008	289.9	October 2009	-40.1	10	Initially, this programme was the responsibility of the Department for Education and Science, but was subsequently transferred to the Home Office. At this point, the Group Investment Board felt that it could only explore achievability and progress made rather than give approval. Subsequently, cost reductions are due to a better understanding of business process and delays caused by interim system in the new Independent Safeguarding Authority building.
47.6	June 2009	44.7	June 2009	-2.9	0	Reduced scope.
		326.9	December 2010			
		370.0	March 2015			
		5,604.0	2014			
		84.3	March 2011			
		50.0	September 2008			
		223.0	October 2010			
		71.9	August 2009			
		585.0	January 2011			
		47.8	October 2009			
		600.0	2012			

Progress of Home Office Major Projects as at 31 January 2009 *continued*

	Rating by Senior Responsible Officer (Jan 2009)	Strategic Outline Case[1]		Outline Business Case[2]	
		Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]
National Identity Scheme[6]					
Biographical Identity Project	🟡 Amber/Green	N/A	N/A	93.0	Quarter 4 2008
National Biometric Identity Service	🟡 Amber/Green	N/A	N/A	478.0	January 2010
Application & Enrolment	🟡 Amber/Green	N/A	N/A	550.0	October 2011
Critical Workers Identity Card	🔴 Red	N/A	N/A	75.8	October 2009
Passport Design and Production	🟡 Amber/Green	N/A	N/A	853.3	December 2010
Card Design and Production	🟡 Amber/Green	N/A	N/A	1,400.6	2011
Total				**15,211.7**	

Projects which have started but had not yet been considered by the Group Investment Board by 31 January 2009

Liverpool Consolidation Project	🟡 Amber/Green	–	–	–	–
Next Generation Information Systems and Technology Transformation	🟡 Amber/Green	–	–	–	–

NOTES

1   Strategic Outline Case: the initial approval stage based on an outline of the programme and its fit with the Home Office strategy, business and operational needs.

2   Outline Business Case: an interim approval stage typically to establish the preferred option and procurement strategy.

3   Full Business Case: the stage at which the main investment decision is taken.

4   Costs exclude depreciation and Interest on Capital.

5   The Group Investment Board typically approves a specific date with three months flexibility either way recognising that it is unrealistic to tie completion to a specific date and to allow some scope for change without the requirement to seek further approvals. Each variance has an explanatory note. Airwave London Underground and ID Cards for Foreign Nationals were still submitting reports on achievement of benefits at 31 January 2009; the delivery date for Points Based System refers to the first phase of delivery, the programme was still implementing subsequent phases beyond 31 January 2009.

6   The table only reflects those elements of the National Identity Scheme which have been considered by the Group Investment Board as at 31 January 2009 reflecting key investment decisions. The total cost of the scheme over the ten-year period October 2008 to October 2018 (including all operational as well as all set-up costs) was estimated by the Department to be £4,785 million, as reported to Parliament in the National Identity Scheme Cost Report (November 2008).

Full Business Case[3]		Forecast as at 31 January 2009		Difference between forecast and full business case		
Whole Life Cost[4] (£m)	Delivery date[5]	Whole Life Cost[4] (£m)	Delivery date[5]	(£m)	(months)	
		93.0	Quarter 4 2008			Due to a re-evaluation of strategic options the forecast implementation date now December 2010.
		478.0	January 2010			
		550.0	October 2011			
		75.8	October 2009			
		853.3	December 2010			
		1,400.6	2011			
3,537.7		**14,974.5**		**23.3**	**28.0**	
		167.3	2010-11			
		1,501.0	N/A			

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