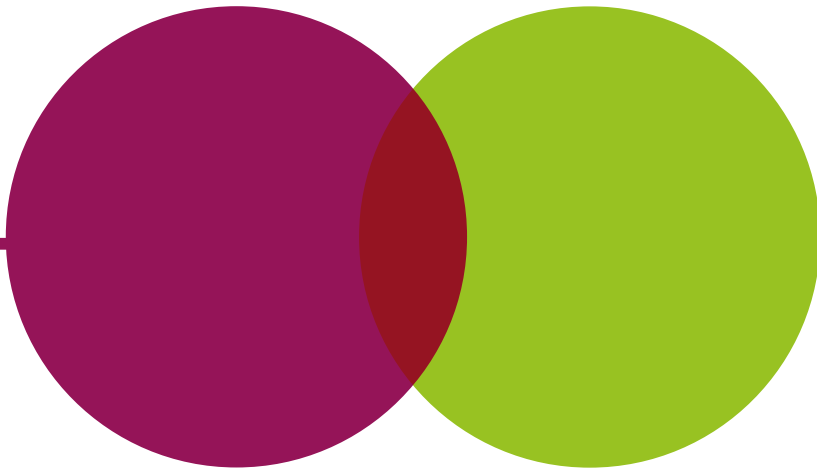




National Audit Office




INSIGHT

Lessons learned: Resetting major programmes

Cross-government

SESSION 2022-23
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HC 1198



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National Audit Office

Lessons learned: Resetting major programmes

Cross-government

Report by the Comptroller and Auditor General

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of Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

8 March 2023

Lessons learned reports

Our lessons learned reports bring together what we know on important recurring issues to make it easier for others to understand and apply the lessons from our work.

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This report can be found on the National Audit Office website at www.nao.org.uk


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Key insights for decision-makers

We have identified insights for decision-makers to help them determine whether to do a reset and how to increase the chances of its success.

To increase the likelihood of a programme reset working...

Assess the need for a reset as soon as possible

Identify as soon as possible when a reset is needed, or is being undertaken without being identified

- When did you last challenge the programme as to whether everything is going to plan?
- Have you defined checkpoints to assess progress and challenge yourself on whether a reset is needed?
- Does your programme information allow you to recognise when a reset might be needed?

Assess whether a reset is the right thing to do

- Does the programme remain the best way to achieve the desired outcomes?
- Have you compared the value of resetting the programme against stopping it?
- Has the reset been assessed in the context of the government body's wider portfolio?

Develop a shared understanding of how a reset will be done

Have a clear and shared appreciation of what the reset needs to achieve

- Is there a clear and shared understanding of the reasons for the reset?
- What measures and information do you have to assess how the reset is progressing?
- Have you explained the reasons for the reset to important stakeholders?

Ensure the right culture and behaviours exist within and beyond the reset

- What have you done to avoid a 'good news' culture?
- Are there ways for the programme team to raise issues and to invite constructive challenge?
- Have you put in place a structure to support the programme team's wellbeing?

Explicitly consider suppliers and delivery partners

- What changes are possible within existing commercial arrangements and what are the potential risks in revisiting these?
- Have you reflected on the need to improve supplier and delivery partner relations as part of the reset and included them in conversations where relevant?
- Do you have contractual levers for any future resets?

Put in place the necessary processes and skills

Allow enough time and space

- Is the timeframe set for the reset realistic?
- Is it more effective to pause the programme to undertake the reset?
- When is it most appropriate to make the details of the reset public?

Be clear on the governance and processes needed to support the reset

- Have you set up governance and decision-making structures that reflect the risks associated with the reset?
- What internal and external assurance do you need to help challenge your decision-making?
- Are risks and opportunities arising from the reset understood and managed?

Identify and recruit the specific skills required

- Do you know what specific skills you need for the reset and how easy these are to get?
- Is a dedicated reset team needed?
- Do you have the right leadership team in place for the reset?

Introduction

1 As at March 2022, government expected to spend £678 billion across its 235 largest, most innovative and riskiest programmes.¹ This includes strategically significant programmes to build railways, schools and IT systems and transform public services. Many of these programmes are complex and we often see government bodies needing to improve how they are managed, particularly in their early stages. As these programmes often take years, changes in the external environment, such as movements in inflation rates, may affect the programme and create further complexities. These factors, whether internal or external, may mean a programme can no longer achieve its intended outcomes, or it is too costly to do so. In these cases, a programme reset may be needed.

2 We have seen resets ranging from a fundamental change to what a programme delivers, to a significant revision of cost and time estimates (**Figure 1** overleaf). For this report, we have defined a reset as a fundamental or substantial change to what a programme will achieve, or how it is delivered, that cannot be managed through routine change control procedures.

3 A programme reset can often be a positive step in response to a need for change. It provides the opportunity to reflect and rebalance a programme. A reset could still be the right option where government bodies have spent money, such as on developing systems, that would then be wasted. However, resets can be challenging and do not always work.

4 We have audited many of the largest and most challenging government programmes. In some cases we have reported multiple times on the same programme at different stages, including before and after a reset. We often see programmes being reset more than once during their lifetime. From our survey of representatives from 14 programmes, half of respondents identified their programme as having experienced multiple resets, leading to a total 24 resets. While multiple resets may be influenced by the programme length or a volatile external environment, they may also result from an earlier reset not working.

5 This report uses our experience of auditing programmes to draw together insights to help decision-makers determine whether they should reset a programme and how to increase the chances of a reset succeeding. We have identified eight key insights and, for each, provided those involved, especially senior decision-makers, with examples and questions to ask.

¹ Infrastructure and Projects Authority, *Annual Report on Major Projects 2021-22*, July 2022 (viewed on 13 February 2023). Available at: www.gov.uk/government/publications/infrastructure-and-projects-authority-annual-report-2022

Figure 1

National Audit Office assessment of reset types across a sample of programmes

Resets can vary widely, from significant revisions to cost and time estimates, to a fundamental change of approach

Reset type	Examples of reset characteristics
Fundamental change to the programme's output, timing and approach.	The Home Office could not deliver the original ambition or timetable of its Digital Services at the Border programme , which aimed to replace legacy ICT systems and provide UK Border Force with better information to make decisions about people crossing the border. The Home Office reset the programme in 2019, which reduced some elements of the scope, added new elements, extended the delivery schedule and increased costs. It also revised its governance approach.
Fundamental change to the approach, while achieving an equivalent output.	Government adopted a new funding approach and contractors to complete building the Midland Metropolitan and Royal Liverpool University hospitals following the liquidation of Carillion plc in 2018.
Substantial change to the requirements and milestones while retaining an equivalent overarching approach.	In 2018, the Ministry of Defence renegotiated its Ajax programme contract with its supplier for the design and manufacture of 589 armoured fighting vehicles. While the reset did not change the requirement to deliver 589 vehicles or contract price, it revised milestones and the vehicle technical specifications.
Significant or material revision of cost and time estimates.	The Department for Transport and HS2 Ltd re-baselined its cost and schedule estimates in autumn 2019 after concluding earlier in the summer that the programme for Phase One of High Speed Two was not deliverable within the original funding and timeline.

Note

- 1 Reset characteristics taken from the following Comptroller and Auditor General reports: *Digital Services at the Border*, Session 2019–2021, HC 1069, National Audit Office, December 2020; *Investigation into the rescue of Carillion's PFI hospital contracts*, Session 2019–20, HC 23, National Audit Office, January 2020; *The Ajax programme*, Session 2021–22, HC 1142, National Audit Office, March 2022; and *High Speed Two: A progress update*, Session 2019–20, HC 40, National Audit Office, January 2020.

Source: National Audit Office published reports

6 To develop these insights, we reviewed our published reports, held workshops with programme professionals and surveyed representatives from the programmes covered by this report. Although our audits mainly focus on those riskier programmes where resets are more likely, our insights also relate to smaller or less risky programmes. This report is not a guide on how to reset a programme, nor a definitive checklist of the issues to consider. Appendix One sets out our approach.

7 In the course of this work, we have identified an opportunity for the Infrastructure and Projects Authority (IPA) and HM Treasury, who have a role scrutinising and approving major programmes, to provide further support and guidance to programme decision-makers. This could help decision-makers consider resets in a more structured way and put in place ways to increase the likelihood of a reset being successful. The IPA and HM Treasury could:

- a** develop a shared understanding across government of what is meant by a reset to help programme teams better identify when they are carrying out a reset and fully recognise what is involved. This understanding should be shared across government functions, such as legal, commercial and digital specialists, all of whom will have a role resetting programmes;
- b** use programme data, and encourage government bodies to do so, to understand the circumstances which may lead to a reset so that programme teams can be more alert to early warning signs or potential triggers;
- c** explicitly set out how programme resets fit within existing programme approvals and assurance processes, including mandatory requirements. This should include whether HM Treasury approval is required; how IPA assurance reviews can trigger a reset; and how the quality of resets will be assured. Guidance should also set out the roles and responsibilities of those overseeing the programme such as the senior responsible owner and accounting officer, when a programme is reset; and
- d** seek to identify and learn lessons from their own understanding of government programmes, alongside that of departments and the private sector in delivering and supporting the broad set of programmes in which they are involved. This will help them share good practice by improving their, and wider government's, understanding of the decisions behind different reset approaches; the factors and complexities influencing how long a reset may take; and what works best in different situations.

To increase the likelihood of a programme reset working...

Assess the need for a reset as soon as possible

Identify as soon as possible when a reset is needed, or is being undertaken without being identified

8 Resets can be a significant and risky undertaking. Where decision-makers understand that they are carrying out a reset, they can more consciously consider whether they have the activities and processes in place to manage these risks and increase the likelihood of a successful reset. As government does not have a standard definition for a reset, government bodies may not recognise when a reset is required, being carried out, or has been completed. In recognising a reset, government bodies may also find it easier to identify lessons for the next programme stage (following the reset) or their wider approach to managing programmes.

9 At our workshops, some attendees told us that they felt resets were generally viewed negatively. This meant government bodies would continue to try to resolve unresolvable issues, leading to wasted effort and costs, rather than admitting the need for a reset. Recognising the need to undertake a reset as early as possible could reduce this waste.

10 Across our survey of 24 programme resets, respondents most commonly identified product or output failure as the factor that pushed the decision to reset the programme (**Figure 2** on page 10). Those deciding whether to undertake a reset, such as the senior responsible owner or the programme board, need to be aware of the factors potentially triggering a reset to help identify the need for a reset as soon as possible. This could be through:

- **having defined checkpoints throughout a programme to assess whether a reset is needed.** These need to be supported by data and information, along with tools such as earned value, to provide transparency over progress and help assess whether a reset is needed;²

² Earned value is a measure of progress that expresses costs committed and work achieved in the same units. Taken from Association for Project Management, *APM glossary of project management terms* (viewed on 13 February 2023). Available at: www.apm.org.uk/resources/glossary/#e

- **monitoring specific milestones which, if missed, could indicate that a programme will need to be reset.** This could include looking at interim milestones, the extent by which a milestone has been missed or assessing the implications of missed milestones. Repeated missed milestones could suggest long-term or deep-rooted problems; and
- **having an open and honest team culture to highlight risks and issues early.** This should be supported by structures that allow team members to share concerns and commercial arrangements that incentivise transparency and honesty within the supply chain.

Examples

A focus on risk can help identify significant challenges

In 2019 we reported that the progress reports presented by Crossrail Ltd to its board and sponsors emphasised what had been achieved and how much of the programme had been completed. They did not adequately consider the level of risk to successful delivery that remained in the programme.

Missed milestones can highlight the need for a reset

Our 2016 High Speed Two report found that the proposed 2026 opening date was at risk. HS2 Ltd had missed 32% of its planning and development milestones and was only 60% confident it could meet the opening date. Our progress update in 2020 reported that HS2 Ltd had missed and delayed many of its programme milestones set in April 2017.

A lack of honesty can mean reset triggers are missed

Our December 2020 report on the Home Office's Digital Services at the Border programme reported that staff leading the programme had bred a culture of tightly controlled and manipulated communications towards key stakeholders and senior leadership. This made it difficult for the Home Office to honestly discuss options to move the programme forward.

Questions to ask

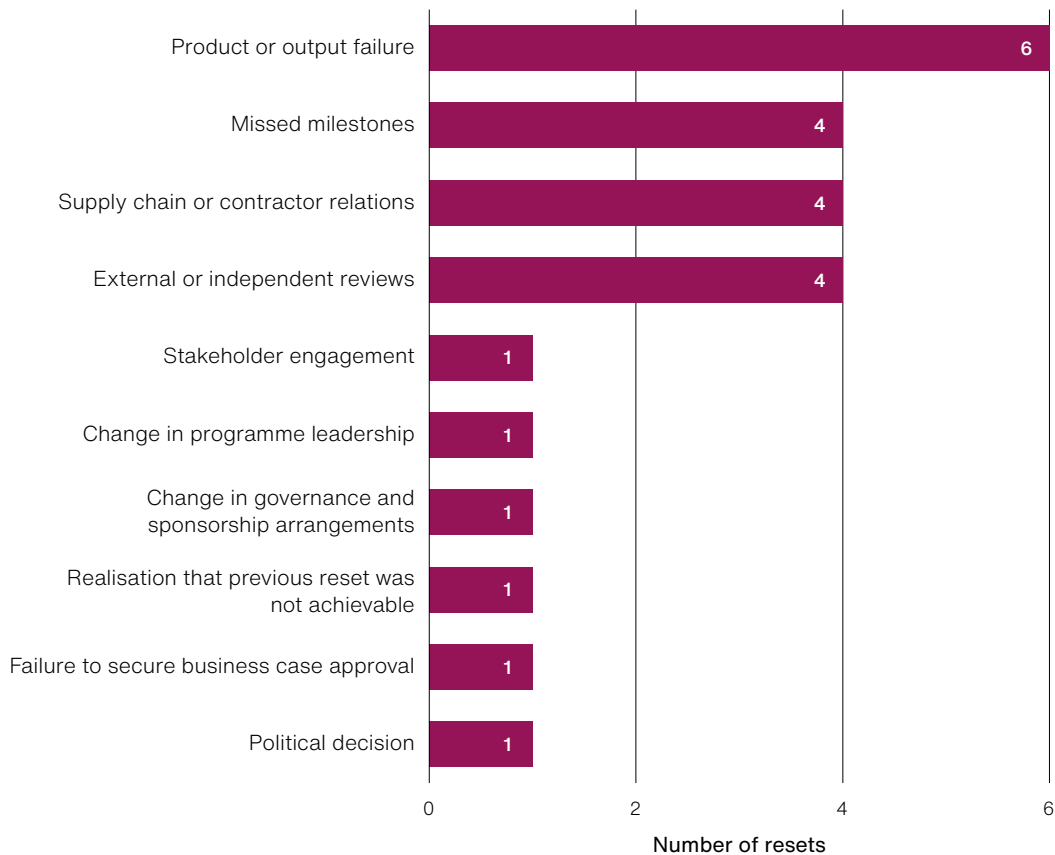
- **When did you last challenge the programme as to whether everything is going to plan?**
- **Have you defined checkpoints to assess progress and challenge yourself on whether a reset is needed?**
- **Does your programme information allow you to recognise when a reset might be needed?**

Figure 2

National Audit Office 2022 survey findings of the most important factor triggering the decision to reset

Respondents most commonly identified product or output failure as the factor that pushed the decision to reset the programme

In your view, what was the most important factor that pushed the programme reset decision to be made?



Note

1 We surveyed senior officials across 14 government programmes, for which respondents reported a total of 24 resets.

Source: National Audit Office survey of senior representatives of 14 programmes covering 24 resets, November 2022

Assess whether a reset is the right thing to do

11 Where a government body identifies a programme is at risk of not achieving its intended outcomes, it should consider a range of options to address this. In assessing whether a reset provides the most cost-effective and appropriate option, it will be valuable to think about:

- how changes in the wider environment, such as technological and social developments, influence what a programme can and should achieve. For example, the COVID-19 pandemic could have long-term effects on individuals' travel and work patterns;
- how a reset will affect the envisaged outcomes and whether any trade-offs between cost, time and scope are beneficial. While some government bodies make the most of opportunities a programme reset can create, we have also seen others achieve less than planned;
- whether the programme should be stopped rather than reset, with costs potentially written off, which we have seen can be the right decision. Government does not often stop programmes. At March 2022, the IPA reported that of the 184 projects under way 12 months earlier, four had been stopped or closed early and seven were replaced by other programmes;³ and
- the priorities and risks across the government body's wider portfolio to assess the extent to which this programme justifies investment over and above other programmes. A reset may require additional capacity or specific skills to be transferred from elsewhere with knock-on effects.

Examples

Reset decisions can affect a programme's benefits

In our December 2020 report on Digital Services at the Border we found that having reset the programme, the Home Office expected to deliver lower quantifiable benefits. In its 2014 business case it forecast benefits of £62 million over three years. Following the reset, the Home Office no longer believed it could quantify the programme's contribution to these benefits. It used the reset to refocus the programme on providing core national security benefits, such as reducing terrorist and criminal threats by giving the Home Office more control over who enters the UK.

³ See footnote 1.

Resets provide an opportunity to rethink how to realise benefits

Following the Universal Credit reset, the Department for Work & Pensions (DWP) chose to develop the programme through a twin-track approach. It started to build its long-term digital solution while using the systems it had built before the reset for its live service. Although this would cost more than waiting for the long-term digital solution, DWP estimated it would be more valuable by bringing forward the programme benefits and reducing risks. DWP decided that it wanted to de-risk the programme by making progress on two fronts, which also allowed it to learn lessons on how Universal Credit worked.

Resets are not always the best option

Our 2019 investigation of the Verify programme found it had been subject to over 20 internal and external reviews as Government Digital Service (GDS) and the Cabinet Office tried several times to address problems. The number of reviews in part reflects efforts by GDS to re-evaluate and reset the programme. We concluded that, even in the context of GDS's redefined objectives for the programme, it was difficult to sufficiently justify the successive decisions to continue with Verify.

Questions to ask

- **Does the programme remain the best way to achieve the desired outcomes?**
- **Have you compared the value of resetting the programme against stopping it?**
- **Has the reset been assessed in the context of the government body's wider portfolio?**

Develop a shared understanding of how a reset will be done

Have a clear and shared appreciation of what the reset needs to achieve

12 Often deep-rooted issues can lead to a programme going off-track and needing a reset. We often see programmes facing internal issues with their scope, planning, management of interdependencies, or oversight.⁴ Where programmes have been reset, we have seen similar internal challenges, with specific issues around:

- **Poorly set-up programmes.** Our 2017 investigation into the South East Flexible Ticketing Programme highlighted how the Department for Transport secured funding in 2011 before writing a business case, developing the scope and agreeing with industry bodies how the programme would be implemented. The programme was paused three times and reset twice, with the scope reduced and budget revised each time.
- **Disagreements with key stakeholders or contractors.** Our report on the Ajax armoured fighting vehicles programme found that the Ministry of Defence (MoD) and its contractor, General Dynamics Land System UK (GDLS-UK), disputed the management of commercial arrangements and the lack of progress in resolving design issues which were holding up delivery. The MoD and GDLS-UK agreed to a contract reset.
- **Poor senior leadership, or a high turnover of senior leaders,** contributing to a lack of clarity and confused objectives. In 2020 we reported that between 2014 and 2019 the Home Office appointed four senior responsible owners and three programme directors for its Digital Services at the Border programme. Both the Major Projects Authority (in November 2014) and the Home Office (in May 2019) identified that programme leadership had failed to understand the technical requirements of the programme. In July 2019 the Home Office decided to reset the programme.

13 External factors may also mean a programme needs to reset. These include financial pressures, political changes, technology developments or external events such as the COVID-19 pandemic. For example, following the collapse of Carillon plc we looked at the significant changes government made to complete hospital building projects.⁵ The current political and economic environment, coupled with the need for government to prioritise its spending, increases the likelihood that programmes may need to be reset.

⁴ Comptroller and Auditor General, *Lessons learned from Major Programmes*, Session 2019–2021, HC 960, National Audit Office, November 2020.

⁵ Comptroller and Auditor General, *Investigation into the rescue of Carillion's PFI hospital contracts*, Session 2019–20, HC 23, National Audit Office, January 2020.

14 To increase the chances of a successful reset, the programme or reset team needs to have a clear understanding of the underlying factors, whether internal or external, that a reset should address and the opportunities a reset presents. This will make it easier for programmes to set out the reset aims and focus efforts, as well as establish clear measures to assess if the reset is realistic and monitor its success.

15 More widely, our workshops highlighted that explaining the reasons for a reset can also help retain stakeholders support for a programme. With resets often having negative connotations, stakeholders may lose confidence in the programme should they not be kept engaged and understand why it has changed significantly. As we have seen through our insights on delivering programmes at speed, clear and coherent objectives understood by all those involved provides a core foundation for successful delivery.⁶

Examples

Failure to address the reasons behind a reset can lead to further resets

Our 2019 report on the Emergency Services Network (ESN) found that the Home Office, through its reset, had resolved some of the issues the programme faced. However, it did not then have a robust and sufficiently detailed plan to show it understood the challenges faced by emergency services in introducing ESN, and it was not clear how the various programme components of ESN would be integrated. This created a risk of poor decisions and further 'resets' being needed in future. Our latest report, in March 2023, describes further significant changes to the programme, which has led the Home Office to develop another business case and revisit its suppliers.

Clear objectives help to monitor whether a reset is working

During the 2013 reset of Universal Credit the government gave the reset team objectives to develop the 'blueprint' for the programme, implement the pathfinder in April 2013, address the problems that the Major Projects Authority had identified, and search for a new senior responsible owner. The reset team developed an extensive set of materials as part of a 'blueprint', and 99 detailed recommendations. The reset team shared the blueprint with the Department for Work & Pensions' Executive Team who approved it at each stage of its development.

⁶ Comptroller and Auditor General, *Lessons learned: Delivering programmes at speed*, Session 2021-22, HC 667, National Audit Office, September 2021.

A lack of stakeholder confidence will make resets more difficult

Our report on the programme to develop the National Law Enforcement Data Service (NLEDS) found that in the first programme reset in January 2019, the Home Office decided to focus on replacing the Police National Computer (PNC) first and then discovered that, because of the age and complexity of the PNC, developing requirements for a replacement system would need more work than planned. The Home Office asked police stakeholders to compromise on the need for several requirements. Police representatives agreed to some reduction in scope but were concerned about potential deferrals or further reductions that might mean that NLEDS would provide less capability than the PNC. By autumn 2020, the police had lost confidence in the programme. In response, the Home Office began a second 'reset'. It appointed a new senior responsible owner, restructured the programme team and developed a new business case and programme delivery approach engaging police representatives in key roles.

Questions to ask

- **Is there a clear and shared understanding of the reasons for the reset?**
- **What measures and information do you have to assess how the reset is progressing?**
- **Have you explained the reasons for the reset to important stakeholders?**

Ensure the right culture and behaviours exist within and beyond the reset

16 We often see behaviours such as optimistic planning and reporting contributing to programme issues. Where government bodies and suppliers discuss progress openly and honestly a programme, or programme reset, will be more likely to succeed. These behaviours follow the tone set by programme leaders and the culture of the organisation. Where the right culture is not established, individuals may be afraid to report problems in a timely and honest way which makes it harder to identify the need for a reset and the issues a reset needs to address. The culture also needs to encourage conversations on the trade-offs that will be acceptable both during and after the reset and sets the foundation for the programme going ahead.

17 Decision-makers must consider and manage how a reset affects the programme team – resets can have a significant effect on wellbeing. While poor performance by individuals must be addressed, participants in our workshops talked about the importance of supporting team members who may be personally invested in the programme. There needs to be a conscious understanding that resets may create additional stress, which will need a supportive culture to overcome.

Examples

The lack of an open and honest culture can impede decision-making

Our June 2022 report on electronic monitoring set out that the Government Internal Audit Agency noted the programme board's long-standing membership and the possibility of 'group think'. This meant the team's determination to see the programme completed may have impeded its ability to reflect and fully challenge its decision-making. It found the programme would have benefitted from a 'critical friend' or challenge panel. The Ministry of Justice's Digital and Technology function was not closely involved, in part due the programme's reputation for being a "challenging deliverable" so people often did not want to be associated with it. In February 2022, HM Prison & Probation Service started using a challenge panel for electronic monitoring.

Uncertainty can impact on an individual's wellbeing

A recent Ministry of Defence report highlighted the importance of psychological safety, particularly within uncertain and interdependent environments where this may also be most fragile.⁷ It found that psychological safety was important for individual wellbeing and the perception of team performance, with project leaders' behaviour significantly contributing to these conditions.

Questions to ask

- **What have you done to avoid a 'good news' culture?**
- **Are there ways for the programme team to raise issues and to invite constructive challenge?**
- **Have you put in place a structure to support the programme team's wellbeing?**

Explicitly consider suppliers and delivery partners

18 Most major programmes require several bodies to work together to achieve the outputs and outcomes. This could include contractors, consultants and devolved bodies (such as local authorities) or the third sector. In our workshops, government and private sector participants stressed the need for a government body to consider what existing arrangements with delivery partners mean for how to undertake a reset and what it could achieve. These could influence the time available for a reset, the options and potential scope, and the commercial or legal skills required. Government bodies may also need information held by the suppliers to help decide how to reset the programme.

⁷ Ministry of Defence, *Psychological safety in MOD Major Projects*, July 2022 (viewed on 13 February 2023). Available at www.gov.uk/government/publications/psychological-safety-in-mod-major-projects

19 Programme teams need to work with suppliers and delivery partners to establish an effective relationship for the reset and beyond. This could be more difficult if there are legal proceedings between the government bodies and delivery partners – the reset could have resulted from commercial issues or a relationship breakdown which needs to be addressed. Alternatively, a reset may affect the existing relationships and arrangements, with the programme team needing to negotiate new terms or ways of working with suppliers or partners. Decisions made during a reset could introduce new risks, for example with the procurement approach.

20 The potential need for a reset should be considered when agreeing a contract. In our good practice guidance, *Managing the commercial lifecycle*, we describe the need to consider building flexibility into the contract process at all stages, including potential routes to end a contract.⁸

Examples

The scope of a reset may be constrained by existing commercial structures

In March 2023 we reported on the Home Office’s progress introducing the Emergency Services Network. The Home Office’s decision to replace Motorola as a supplier for its emergency services mobile communication programme addresses some risks, but after considering alternatives, all of which the Home Office assessed as medium or high risk, the Home Office decided to continue with its current commercial approach to avoid further delays. The Home Office recognises that the split of responsibilities between suppliers is suboptimal. It cannot fully address this without revisiting its other contracts, which would delay the programme further, and has concluded that the current structure is workable.

Suppliers can influence the success of a reset

Our 2022 report on electronic monitoring found HM Prison & Probation Service’s (HMPPS) revised business case set a September 2018 launch date for its transformed tagging service and even aspired to accelerate delivery. However, there were several uncertainties at this time including: how existing suppliers could accommodate G4S’s tags and what changes may be required; Capita’s readiness to deploy a system in its data centre to enable interfaces between G4S and Airbus’s mapping software, and the feasibility of completing integrated testing as planned. HMPPS re-started the programme without having a clear view on suppliers’ readiness to proceed. We reported that HMPPS did not intervene early enough to resolve cross-supplier integration issues. In addition, a breakdown in trust and collaboration between HMPPS and Capita led to three formal disputes during the programme.

8 National Audit Office, *Good practice guidance, Managing the commercial lifecycle*, July 2021.

Decisions made during resets may create new commercial, procurement or legal risks

Our investigation into the rescue of the Carillion PFI hospital contracts found that to restart the projects, the former Royal Liverpool and Broadgreen University Hospitals NHS Trust (the Liverpool Trust) agreed contracts with several new suppliers without a public procurement process, while the Sandwell and West Birmingham Hospitals NHS Trust ran a public procurement which only attracted one viable bidder. This meant that new suppliers for both the hospitals were chosen without competition. The Liverpool Trust transferred contracts from the PFI company without going through a procurement exercise and then appointed further work to smaller contractors without competition to prevent further delay and maintain warranties. The Trust told us that it estimated the costs of delay at more than £2 million per month. Its board was advised that some of the contracts could be subject to legal challenge because they were not properly procured or advertised, but given there was no market for the work that the likelihood of this was low.

Questions to ask

- **What changes are possible within existing commercial arrangements and what are the potential risks in revisiting these?**
- **Have you reflected on the need to improve supplier and delivery partner relations as part of the reset and included them in conversations where relevant?**
- **Do you have contractual levers for any future resets?**

Put in place the necessary processes and skills

Allow enough time and space

21 The appropriate length of time for a reset will vary. The time needed could depend on the complexity of the programme, or the reset itself, and therefore what is needed. For example, it may take time to: understand the underlying issues and potential opportunities; involve (and potentially rebuild) a supply chain; engage stakeholders, including contractors, so they remain supportive; or seek programme approvals. Our survey of senior staff involved in 24 resets across 14 programmes shows that resets involve multiple activities (**Figure 3** overleaf).

22 In our survey we found that the time spent on a reset ranged from less than three months to more than a year (**Figure 4** on page 21). In our survey, respondents said that the time spent resetting was appropriate for 16 of the 24 resets. Of these 16 resets, respondents rated 13 as either successful or highly successful, with the remaining three assessed as having limited success.

23 Those attending our workshops spoke about the time available for resetting a programme being challenging, and we have seen government bodies create unrealistic reset timeframes. Our work on delivering programmes at speed highlighted the difficulties of delivering programmes under time pressure, which can create additional risks that need to be managed.⁹ However, some of those attending our workshops also expressed views that the time taken may need to be limited and doing a reset quickly could help achieve 'quick wins'.

24 Through our workshops, we also heard how programme teams could find it hard to focus on a reset when parts of the programme were continuing, or when there was significant interest in the programme. They suggested the value in creating 'space' to reset a programme. To do so we have seen teams generating or capitalising on opportunities to pause a programme (rather than resetting 'in flight'); establishing a dedicated reset team to focus on resetting; and not publicising details of a reset until it has been fully developed given how this could affect some stakeholders' confidence in the programme.

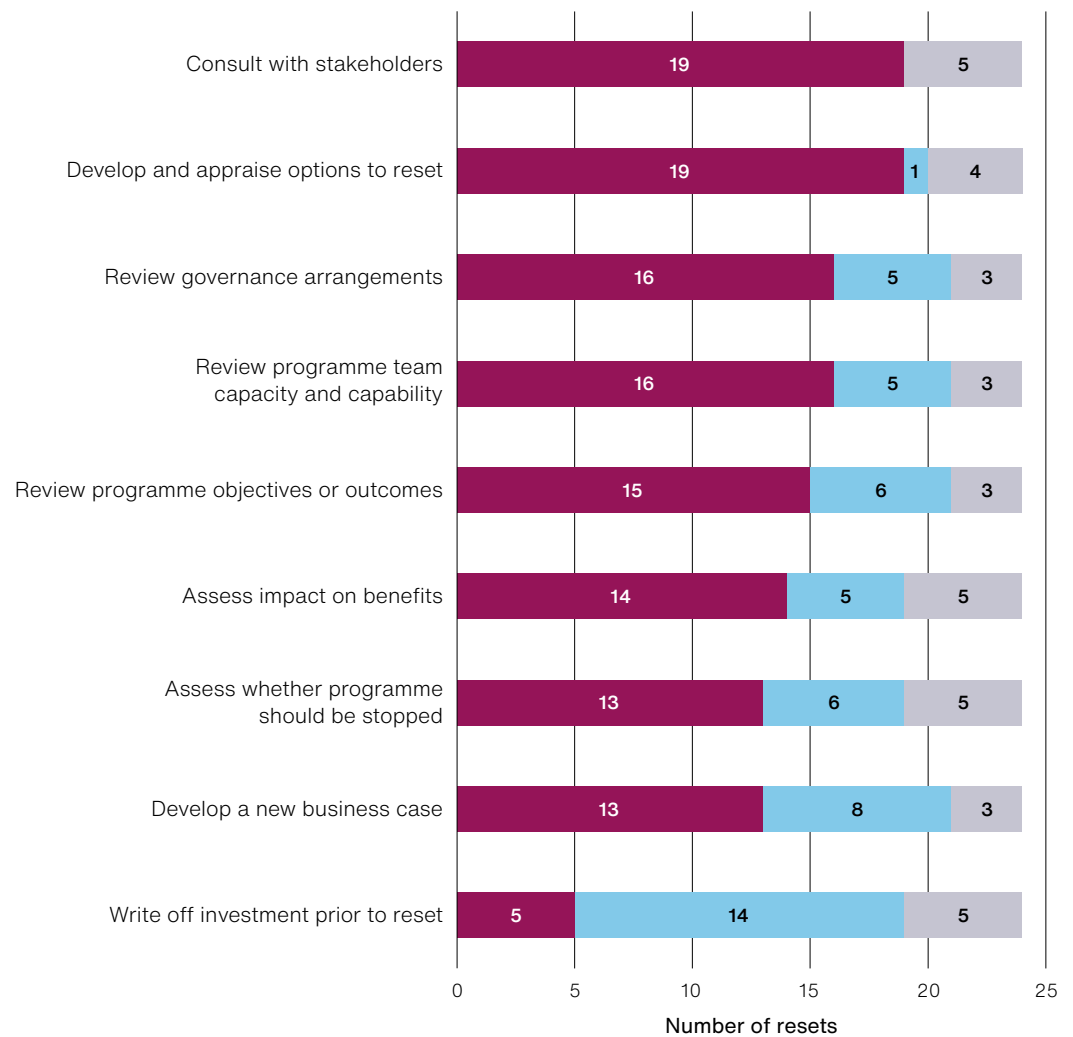
9 See footnote 6.

Figure 3

National Audit Office 2022 survey findings of the activities undertaken during a programme reset

Respondents most frequently identified consulting with stakeholders and developing appraisal options as activities they undertook during a reset

Were the following activities undertaken as part of resetting your programme?



- Yes
- No
- Don't know

Note

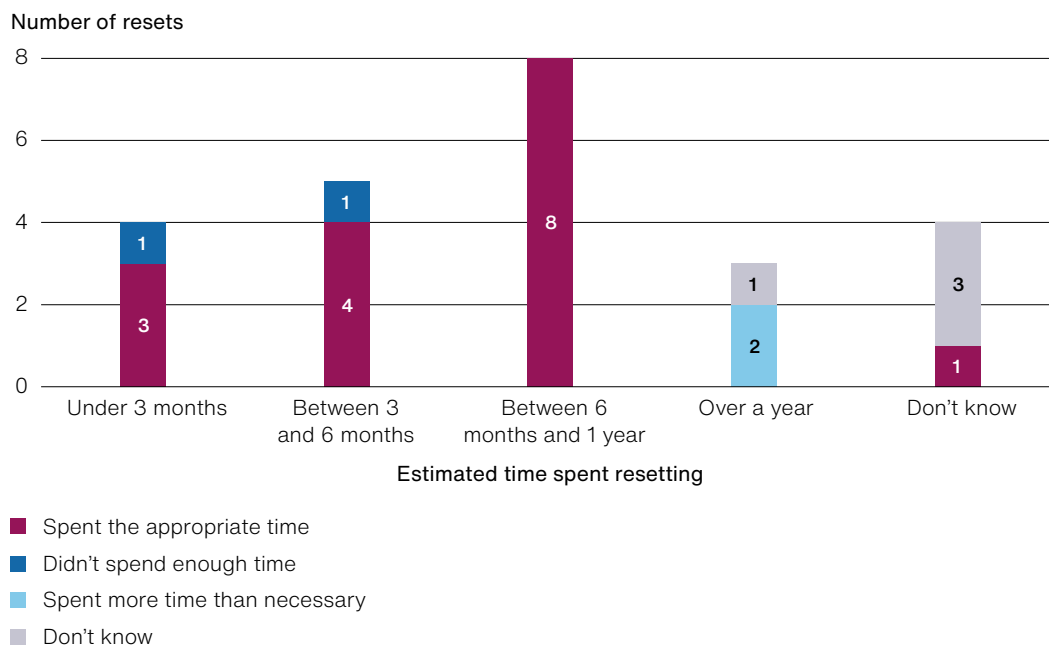
1 We surveyed senior officials across 14 government programmes, for which respondents reported a total of 24 resets.

Source: National Audit Office survey of senior representatives of 14 programmes covering 24 resets, November 2022

Figure 4

National Audit Office 2022 survey findings of estimated time spent resetting programmes, and whether the time spent was appropriate

Respondents identified the most common time for resetting programmes as between six months and one year



Note

1 We surveyed senior officials across 14 government programmes, for which respondents reported a total of 24 resets. Respondents were asked: "How long did your organisation actually spend in resetting the programme, ie, from the date the relevant programme board made the decision to reset and when new plans were approved?" and "Do you think the actual time spent resetting the programme was reasonable?"

Source: National Audit Office survey of senior representatives from 14 programmes covering 24 resets, November 2022

Examples

Teams can underestimate how much time a reset can take

On the Ajax programme, the Ministry of Defence (MoD) expected to conclude negotiations to reset the contract in October 2017, but these took 15 months instead of two, with the legally binding agreement signed in December 2018. The MoD then took until May 2019 to amend the contract because it underestimated the scale of translating the agreement's high-level principles into it. Many of the difficult issues were 'parked' to maintain momentum and business-as-usual activity became increasingly difficult.

Pausing can allow the time and space to reset a programme

In 2021, in relation to Crossrail Ltd's part of the programme, we reported how Crossrail Ltd took advantage of having to pause some work during the COVID-19 national lockdown. As part of the reset, Crossrail Ltd worked with contractors to plan how to restart construction with fewer contractor staff on site. This meant that contractors were more productive. On average, 90% of milestones were met between September 2020 and April 2021, well above the 30% average over the programme to that point.

Questions to ask

- **Is the timeframe set for the reset realistic?**
- **Is it more effective to pause the programme to undertake the reset?**
- **When is it most appropriate to make the details of the reset public?**

Be clear on the governance and processes needed to support the reset

25 We have previously reported that effective programme governance depends on clear roles and responsibilities supported by accurate, consistent and timely management information and a culture of transparency. We have also seen the need for governance arrangements to evolve throughout a programme lifecycle to reflect the risks and requirements at each stage. Similarly, both during and after the reset, governance and approvals processes may need to evolve so they remain proportionate to the programme risks, bringing in relevant decision-makers from across the organisations involved.

26 The HM Treasury process for approving programmes does not explicitly set out what needs to be considered or happen during a reset.¹⁰ However, resets may lead to a new business case, to justify the revised approach, or to the accounting officer reassessing whether spending meets the standards set out in *Managing Public Money*.¹¹ Programme teams should also consider the appropriate assurance, such as IPA reviews, that may be needed at certain stages.

27 Practitioners must continue to follow good programme management practice during a programme reset, particularly around risk management. As a reset significantly changes what or how a programme delivers, it introduces new risks and opportunities that need to be identified and managed.

Examples

Amending governance and oversight arrangements can bring together the right people and information

Our December 2020 report on Digital Services at the Border found that following the reset the programme board became the sole decision-making body, and amended its attendee list, to make board discussions more focused on the priority issues, with appropriate stakeholders there to help inform decisions. In doing so, the board aimed to improve the clarity of its remit, encourage informed decision-making and clarify authority.

Our 2021 Crossrail report found that the programme's sponsors, the Department for Transport and Transport for London (TfL), revised the governance arrangements in October 2020 to streamline decision-making and give TfL greater responsibility for overseeing completion, in line with its role as the long-term operator. The sponsors told us that there were many benefits to bringing in the new governance arrangements then, such as all decision-makers being side by side and able to make decisions together around trade-offs. The sponsors and the Crossrail team told us that the new arrangements added momentum to complete the project. We considered the governance change appropriate to reflect the stage of the programme, helping support programme completion by ensuring the eventual operators and maintainers of the Elizabeth line worked more closely with Crossrail Ltd.

¹⁰ HM Treasury, *Treasury approvals process for programmes and projects*, March 2022 (viewed on 13 February 2023). Available at: www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects

¹¹ HM Treasury, *Managing Public Money*, March 2022 (viewed on 13 February 2023). Available at: www.gov.uk/government/publications/managing-public-money

Assurance reviews can help raise issues to be resolved

In July 2022 we reported on the Transpennine Route Upgrade Programme. In early 2021, reviews by the Department for Transport (DfT) and the Infrastructure and Projects Authority (IPA) raised concerns about the adequacy of governance arrangements following the programme's increased size. In response, the DfT and Network Rail adopted new arrangements, including a new operating model, that should enable the programme to be managed separately rather than as a typical rail upgrade. The arrangements should also support more effective decision-making by involving the stakeholders essential to the programme's success such as contractors and train and freight operators.

A reset can increase the overall programme risk

The changes made during the contract reset for the Ajax programme increased the delivery risks. The Ministry of Defence (MoD) agreed that its contractor, General Dynamic Land System UK (GDLS-UK), would deliver the vehicles in 'capability drops,' with each drop adding capabilities. However, the introduction of four capability drops across six variants increased the interface, dependencies and hand-offs between MoD and GDLS-UK. It also made the programme schedule more complex, with vehicles from early capability drops having to be upgraded. The multiple build standards introduced by this approach also made achieving safety cases more complex.

Questions to ask

- **Have you set up governance and decision-making structures that reflect the risks associated with the reset?**
- **What internal and external assurance do you need to help challenge your decision-making?**
- **Are risks and opportunities arising from the reset understood and managed?**

Identify and recruit the specific skills required

28 A reset may involve different activities, or a different focus, compared with how the programme was being managed. These could require additional skills and expertise beyond the existing team that are hard for the programme team to bring in. This could include planning, negotiation, political engagement, or stakeholder management skills. Where people perceive a programme as being in trouble, existing team members may leave while new staff may be harder to recruit. We have seen decision-makers consider a dedicated reset team to bring in the right skills and help step back from the programme.

29 Strong leadership is critical to a successful reset. Alongside technical skills, programme professionals in our workshops emphasised that softer skills are equally important which we also highlighted in our wider work on delivering programmes at speed.¹² Those leading the reset will need to have a clear vision, shared with stakeholders, alongside the skills and experience to critically examine a programme, motivate staff and contractors, and deal with external pressure.

Examples

It can take time to build the right capacity and capability to reset and continue the programme

At the time of resetting the programme in April 2019, the new Crossrail Ltd team and the sponsors did not appreciate the scale of the task to rebuild the organisation and the impact this would have on the programme. Crossrail Ltd told us that in certain areas the programme teams had to be rebuilt having been demobilised. It took Crossrail Ltd longer than expected to recruit the staff needed because there was a limited number of people with the skills needed. Through 2020, Crossrail Ltd continued to recruit to crucial posts. Key appointments by Crossrail Ltd and Transport for London in 2020 improved Crossrail Ltd's approach to completing the programme. They also strengthened the senior leadership team, increasing capacity and focus across the programme.

A dedicated team can bring in specific skills or expertise for the reset

On Universal Credit the head of the Major Projects Authority was appointed to undertake a 12-week 'reset' of Universal Credit in 2013. The reset team included departmental, Cabinet Office and Government Digital Services staff.

Questions to ask

- **Do you know what specific skills you need for the reset and how easy these are to get?**
- **Is a dedicated reset team needed?**
- **Do you have the right leadership team in place for the reset?**

¹² See footnote 6.

Appendix One

Our approach

Our scope

1 This lessons learned report provides insights, examples and questions to those involved in resetting programmes. We also set out opportunities for government to help support those considering or undertaking a reset. It is based on our experience of auditing programmes and has been informed by a review of our published reports, supplemented with workshops involving programme delivery professionals and a survey of programmes covered by our work.

2 This report is not designed as a guide for undertaking resets but to aid decision-makers and practitioners in thinking about resets. The list of insights is not an exhaustive list – it draws on findings from National Audit Office (NAO) reports, which typically examine the riskiest and most expensive programmes.

3 Through interpreting resets as a fundamental or substantial change to what a programme will achieve, or how it is delivered, that cannot be managed through routine change control procedures, we exercised our judgement to identify a reset. We provided those responding to our survey a definition but recognise their responses may still reflect their view of where a reset has taken place and its characteristics. As such, survey responses may differ from our reports, for example in terms of the number of resets.

Our evidence base

4 We conducted our fieldwork between September 2022 and January 2023. In examining resets in government programmes, we drew on a variety of evidence sources.

Review of NAO reports

5 We used an internal analysis tool to identify which NAO reports, from April 2010 to August 2022, described a ‘reset’ or ‘significant change’ to a project or programme. We reviewed these, alongside those reports we identified through our existing knowledge, to identify published reports relevant to our scope. We reviewed our published reports, discussing them with the relevant NAO teams where possible, to identify common themes in relation to resets. These reports all had a wider scope than the reset, with the amount of published information on the reset varying. Using these reports, we developed our initial insights which we then tested with project professionals through our workshops. We revisited these reports to draw out examples within the report.

6 Following our review of NAO reports and discussions with internal teams we identified 14 programmes we had audited to provide the basis for informing our thinking and survey with government stakeholders. **Figure 5** overleaf lists our reports that helped inform the evidence base across the 14 programmes (our *Investigation on the rescue of Carillion’s PFI hospital contracts* examined two programmes).

7 Given our statutory role to evaluate the value for money of government spending, we inevitably look at those programmes with the highest risk and spend, or that have faced significant challenges, and which therefore could be seen as more likely to reset. As such, while this evidence base is not representative of all major programme resets, and is biased towards programmes with greater risk, the insights gathered are valuable for decision-makers.

Workshops

8 We held six cross-government workshops between November and December 2022 and two workshops with private sector professionals in January 2023 to challenge and refine our insights and test whether they were realistic and relevant. The two private sector workshops also allowed us to explore differences between the public and private sector. During all the workshops, we encouraged discussion around:

- clarity of the term ‘reset’ and the value of a definition;
- our insights (which we iteratively updated through the process); and
- any gaps in our understanding or insights we may have missed.

Figure 5

National Audit Office publications that informed this report

Cabinet Office
<i>Investigation into Verify</i> , Session 2017–2019, HC 1926, March 2019
Department for Environment, Food & Rural Affairs
<i>Early review of the Common Agricultural Policy Delivery Programme</i> , Session 2015-16, HC 606, December 2015
Department for Transport
<i>Investigation into South East Flexible Ticketing Programme</i> , Session 2016-17, HC 1130, April 2017
<i>High Speed Two: A progress update</i> , Session 2019-20, HC 40, January 2020
<i>Progress in implementing National Audit Office recommendations: High Speed Two</i> , Session 2021-22, HC 292, June 2021
<i>Completing Crossrail</i> , Session 2017–2019, HC 2106, May 2019
<i>Crossrail – a progress update</i> , Session 2021-22, HC 299, July 2021
<i>Transpennine Route Upgrade</i> , Session 2022-23, HC 572, July 2022
Department for Work & Pensions
<i>Universal Credit: early progress</i> , Session 2013-14, HC 621, September 2013
<i>Universal Credit: progress update</i> , Session 2014-15, HC 786, November 2014
<i>Rolling out Universal Credit</i> , Session 2017–2019, HC 1123, June 2018
Department of Health & Social Care
<i>Investigation into the rescue of Carillion’s PFI hospital contracts</i> , Session 2019-20, HC 23, January 2020
Home Office
<i>E-borders and the successor programmes</i> , Session 2015-16, HC 608, December 2015
<i>Digital Services at the Border</i> , Session 2019–2021, HC 1069, December 2020
<i>Progress delivering the Emergency Services Network</i> , Session 2017–2019, HC 2140, May 2019
<i>Progress update on delivering the Emergency Services Network programme</i> , Session 2022-23, HC 1170, March 2023
<i>The National Law Enforcement Data Programme</i> , Session 2021-22, HC 663, September 2021
Ministry of Defence
<i>The Ajax programme</i> , Session 2021-22, HC 1142, March 2022
Ministry of Justice
<i>The new generation electronic monitoring programme</i> , Session 2017–2019, HC 242, July 2017
<i>Electronic Monitoring: a progress update</i> , Session 2022-23, HC 62, June 2022

Note

1 Reports can be found at www.nao.org.uk.

Source: National Audit Office

9 The workshops were carried out online on Microsoft Teams and lasted up to 90 minutes. We took notes during each workshop, supplemented by the transcript function on Microsoft Teams. The workshops were not designed to be representative but provide a breadth of views on the challenges resetting a range of government programmes. Insights we gathered through these workshops supplemented other methods to help us refine our findings, such as reiterating the impact of resets on the wellbeing of programme staff.

10 For our cross-government workshops, we used contacts in departments to identify suitable participants based on an outline of what we wanted to get from the workshop. Although this may have led to a potential bias, with departments choosing who to put forward, we considered this evidence alongside that gathered through other methods. At our six workshops, we had a good representation across the main government departments, speaking with around 30 government programme management practitioners from across:

- Cabinet Office
- Department for Business, Energy & Industrial Strategy
- Department for Digital, Culture, Media & Sport
- Department for Education
- Department for Environment, Food & Rural Affairs
- Department for International Trade
- Department for Transport
- Department for Work & Pensions
- Foreign, Commonwealth & Development Office
- Home Office
- Ministry of Defence
- Ministry of Justice

In terms of our workshops with private sector professionals, we organised one through the Association for Project Management and one through the Confederation of British Industry, who reached out to their network of members.

Survey of reset programmes

11 We conducted an online survey of the 14 programmes we identified through our review of published NAO reports (see Figure 5) to gather standard, consistent information across resets. This was particularly important as although our reports covered programmes that had been reset, they did not all assess or audit the reset itself. We aimed for the survey to provide comparative information and illustrative examples to supplement our other methods and help develop our thinking. The findings are not intended to be representative of all government programme resets between 2010 and 2022.

12 In early November 2022, we sent the survey to senior officials to complete on behalf of their programme. We received responses from all 14 programmes by early December 2022. Of these, seven reported their programme as having multiple resets, which led to us receiving responses for 24 resets across the 14 programmes. We have not audited survey responses.

13 The survey questions included how successful the reset was deemed to be and activities undertaken during the reset. We used this information to, for example, provide more detail in our report on how long different resets had taken; the types of activities that could be involved; who may decide on the need for a reset and the 'trigger' for their decision.

Wider activities

14 To understand how government identifies and considers programme resets we reviewed its existing guidance and processes for references to 'reset'. This also helped us consider how resets could align with existing guidance. The guidance we examined included *Treasury approvals process for programmes and projects*¹³ and *Principles for project success*¹⁴.

15 We held interviews with other stakeholders to further test and challenge our insights.

¹³ HM Treasury, *Treasury approvals process for programmes and projects*, March 2022 (viewed on 13 February 2023). Available at: www.gov.uk/government/publications/treasury-approvals-process-for-programmes-and-projects

¹⁴ Infrastructure and Projects Authority, *Principles for project success*, July 2020 (viewed on 13 February 2023). Available at: www.gov.uk/government/publications/principles-for-project-success

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