House of Commons
Public Administration and Constitutional Affairs Committee

The Government’s Management of Major Projects: An Interim Report

Third Report of Session 2019

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 31 October 2019
Public Administration and Constitutional Affairs Committee

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Committee staff

The current staff of the Committee are Iwona Hankin (Committee Assistant), Gabrielle Hill (Senior Committee Assistant), Sarah Ioannou (Second Clerk), Moonisah Iqbal (Committee Specialist), Libby Kurien (Clerk), Dr Philip Larkin (Committee Specialist), Ben Shave (Media Officer), Dr Patrick Thomas (Committee Specialist) and Jonathan Whiffing (Second Clerk)

Contacts

All correspondence should be addressed to the Clerk of the Public Administration and Constitutional Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 3268; the Committee’s email address is pacac@parliament.uk.

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Summary

The Government spends billions of pounds on major projects annually. These include major, high profile construction and defence projects but also significant investments in new technology designed to improve the way in which Government operates. These are projected to yield billions of pounds of benefits to taxpayers so the effectiveness with which Government designs and delivers its projects has both significant risks and sizeable rewards.

The decision to hold an early election has curtailed the Committee’s inquiry into this important issue before it had completed its evidence-gathering. Consequently, this interim report can only summarise some of the emergent themes and the Committee’s initial impressions. The report’s main recommendation is that the successor Committee returns to this important issue.

The issue of Civil Service capability is one that the Committee has addressed in previous reports. Project delivery has been one of the areas prioritised for improvement. This has been through the cross-departmental Project Delivery Function and Profession and the Major Projects Leadership Academy. It appears that this is having a beneficial effect. However, progress can be undermined by excessive churn on project teams. There have been improvements in reducing churn, but it remains a concern.

The importance of the early planning of major projects is a major factor in determining their successful delivery. The Government has in place an extensive framework of scrutiny and assurance of project plans. However, political pressure can sometimes circumscribe this scrutiny. That will lead to projects that are poorly conceived and delivered.

There has been considerable effort to improve the delivery of Government projects. However, good project delivery is not an end in itself and the purpose of projects is to deliver benefits to the public. But, too little attention is paid to whether these benefits are actually realised. More systematic scrutiny of the extent to which projects achieve the anticipated benefits is required.
# 1 Introduction

1. The Government invests billions of pounds of public money in its major projects. The most complex and largest of these projects are included in the Government’s Major Projects Portfolio (GMPP), overseen by the Infrastructure and Projects Authority (IPA), a joint Cabinet Office-HM Treasury agency. These include major, high profile construction and defence projects but also significant investments in new technology designed to improve the way in which Government operates. The projects in the GMPP currently have a cumulative cost of £423 billion and it is claimed that these will deliver £657 billion of benefits to the country. The National Audit Office (NAO) has suggested that the value of projects outside the GMPP might be as much as double those in the GMPP, but it was impossible to estimate a figure with any degree of certainty. Clearly, the effectiveness with which Government designs and the efficiency with which it delivers its projects have both significant risks and sizeable rewards.

2. Yet there are concerns that the money has not always been used as effectively as it might be. Delays and cost-overruns on high profile projects have been common and they have often have not delivered the promised benefits either. Recent delays to high profile projects such as Crossrail, the cost escalation for the High Speed 2 (HS2) rail project, and the under-delivery of anticipated benefits by the Cabinet Office’s Verify digital identification project continue to fuel such concerns.

3. The Committee launched an inquiry into the Government’s management of its major projects on 10 October 2018. The purpose of the inquiry was not to conduct autopsies into individual, high profile projects that have experienced problems—that is the responsibility of the Public Accounts Committee and for the relevant departmental Select Committees—but to take stock of the steps taken at the centre of government to improve the delivery of projects across departments.

4. The decision to hold an early General Election has curtailed our inquiry into this important topic whilst we were still gathering evidence and before we have been able to consider our conclusions and recommendations. By necessity, this report can only highlight a few of the main issues that have emerged in the evidence we have received to date and some of our initial impressions. We recommend that our successor Committee returns to this important matter at the earliest opportunity.

5. In the course of the inquiry to date, we held five evidence sessions and received 28 written submissions. A list of those contributing evidence is included at the end of this report. We thank all those who contributed to the inquiry.

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1. NAO Delivering Major Projects in Government HC 713 Session 2015–16, p.5
2. The Cabinet Office does have its own projects included in the GMPP. Nonetheless, we have focussed on its efforts to improve project management across Government.
2 The Government’s Management of Major Projects

6. Individual Government Departments remain accountable for the initiation and delivery of their own projects. However, in this, they are increasingly subject to oversight from the centre of government. This is particularly through the IPA which has responsibility for assuring departments’ projects and reviewing and assisting with progress. It was established in 2016 following the merger of two other agencies, the Major Projects Authority (MPA) and Infrastructure UK (IUK). IUK was an agency of HM Treasury set up to support major infrastructure projects involving public capital. The MPA was a Cabinet Office agency that provided assurance and challenge to projects in the GMPP. The IPA also plays a role in developing capability through its leadership of the cross-government Project Leadership Function.3

<table>
<thead>
<tr>
<th>GMPP4</th>
<th>No. Projects</th>
<th>Cost (Whole Life)</th>
<th>Monetised Benefits</th>
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<tr>
<td>Transformation and Service Delivery</td>
<td>41</td>
<td>£83bn</td>
<td>£330bn</td>
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<tr>
<td>ICT</td>
<td>29</td>
<td>£10bn</td>
<td>£24bn</td>
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<tr>
<td>Infrastructure and Construction</td>
<td>31</td>
<td>£196bn</td>
<td>£298bn</td>
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<tr>
<td>Military Capability</td>
<td>32</td>
<td>£134bn</td>
<td>£5bn</td>
</tr>
<tr>
<td>Total</td>
<td>133 projects</td>
<td>£423bn</td>
<td>£657bn</td>
</tr>
</tbody>
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7. There are currently 133 projects in the GMPP. The number of projects in the GMPP has fallen from 143 in 2017, continuing the fall from the historic high of 199 in 2014, as the projects enter the GMPP at a slower rate than they exit it. The value of projects in the GMPP has also fallen from 2017. However, it has not fallen at the same rate as the number of projects, suggesting proportionately more costly projects. Analysis by the Institute for Government (IfG) attributes this to increased cost estimates for existing projects rather than the value of new projects. In particular, the IfG note increases in the estimated whole-life costs of the High Speed Rail programme (£13.1bn) and the construction of the Hinkley Point C nuclear plant (£12.9bn). However, previous years have seen higher total cost increases for existing projects.5

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3 The Infrastructure and Projects Authority (MMP0014), para. 6
4 IPA Annual Report 2017–18 p.4; C&AG Projects Leaving the Government Major Projects Portfolio Session 2017–19, HC 1620, p.6
5 G. Freeguard et al Whitehall Monitor 2018 Institute for Government 2018
Projects in the GMPP are given Delivery Confidence Assessments (DCAs), colour ratings based on the perceived likelihood of their completion:

- within the timescales;
- within the cost envelope;
- to the quality requirements including the delivery of benefits, both financial and non-financial; and
- all as laid down in the most recent formally approved mandating document (e.g. Project Information Document (PID) or Business Case).\(^6\)

A RAG (“Red, Amber, Green”) or “Traffic Light” rating system is applied, with projects given one of five ratings ranging from Green (where completion of the project on time and cost seem likely) to Red (where completion of the project appears unachievable). Projects classified either Red or Amber/Red have been increasing both in number and as a proportion of the GMPP. The number of projects classified Green has also fallen from over 40% of the projects when the GMPP was established in 2013 to fewer than 20%.\(^7\) The IPA suggest that this is the result of projects successfully leaving the GMPP: the number of projects in the GMPP has fallen, with those projects remaining likely to be higher risk (larger and longer-running projects tend to be classified as riskier).\(^8\)

When the IPA was established through the merger of the IUK and the MPA, the Public Accounts Committee (PAC) expressed concern that the MPA’s assurance role could be compromised in a merger with IUK, a delivery body the work of which the MPA had been charged with evaluating.\(^9\) We found no evidence to suggest that this

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7. G. Freeguard et al Whitehall Monitor 2018 Institute for Government 2018
has been the case. Should our successor Committee return to this area, an aspect it could usefully consider in more detail is the way in which the IPA interacts with the individual Government departments.
3 Capability

11. The theme of civil service capability is one to which we, and our predecessor Committee, have returned to on a number of occasions. Project delivery is one of the areas singled out for criticism in the past and where capability improvements have been prioritised. The 2012 Civil Service Reform Plan (CSRP) noted that:

   Government’s past performance on major projects has been poor, with around a third being delivered on time and on budget. Much of this failure has been because policy gets announced before implementation has been fully thought through, and because civil servants have not been given the skills and tools needed for good project management.

12. Elsewhere, Lord Maude, the then-Minister for the Cabinet Office responsible for introducing the CSRP, was highly critical of the UK’s record of managing major projects which he described as “lamentable” and argued that poor project management has seen “countless millions” being “poured away”. In response to such concerns, project management has been one of the areas where improving capability has been prioritised.

13. In addition to Project Management Functions and Professions, which are headed from the IPA, the most notable amongst these efforts to improve capability has been the establishment of the Major Projects Leadership Academy (MPLA), a joint initiative with Oxford University’s Said Business School. Attendance at the MPLA is a requirement for those wishing to progress to senior levels in Project Management in the Civil Service. More than 600 have enrolled to date. The Project Leadership Programme (PLP), delivered in conjunction with Cranfield University, trains Civil Service project managers below the Senior Civil Service grades. Over 1000 have graduated from the PLP thus far.

14. The steps the Government has taken to improve its project delivery capability were viewed positively. Hannah Vickers, CEO of the Association for Consulting and Engineering (ACE), told us that “I think that [the MPLA] has done well in terms of upskilling project managers with generic project management skills.” Similarly, Professor Denise Bower of the Major Projects Association (MPA) told us that “investment in initiatives such as the Major Projects Leadership Academy has helped to equip those involved in major projects much better than they were previously.” However, these positive views, though broadly reflective of the evidence we received, are largely impressionistic and there has been no formal evaluation of the MPLA to date.

15. Improvements in the Civil Service’s project delivery capability have been a priority of government over the last decade and we welcome this investment in a greater skills base for the delivery of major projects. Due to the curtailment of this inquiry, it is difficult

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11 HM Government The Civil Service Reform Plan July 2012, p. 18
12 Major Projects Authority Annual Report 2013, p.1–2
13 We discuss cross-departmental Functions and Professions in our report, The Minister and the Official: The Fulcrum of Whitehall Effectiveness HC497 5th Report of Session 2017–19
14 The Infrastructure and Projects Authority (MMP0014) para. 83
15 The Infrastructure and Projects Authority (MMP0014) para. 86
16 Q327
17 Q267
for the Committee to know whether this increased training has translated into better delivery of projects and suggest that any inquiry in this area by a successor Committee should look at this.

Churn

16. The level of churn—officials moving quickly from post to post—has been extensively highlighted as a problem for the Civil Service. The detrimental effect on capability of a rapid turnover of staff has been highlighted as contributory factor in a number of major projects where problems have arisen, including Universal Credit. Professor Bower of the MPA told us that a high turnover of staff could lead to inertia on a project:

While new people are brought up to speed, are familiarised, and become confident in the information they are presented with and are taking on responsibility for it, a kind of inertia can sometimes come about.

17. The Cabinet Office has drawn up proposals to address the problem of churn (discussed in the Committee’s report on Civil Service Effectiveness) and the IPA and Project Management Profession have worked to mitigate the impact. The IPA has highlighted the falling rate of churn amongst Senior Responsible Owners (SROs) on major projects. Nick Davies of the IfG also noted the lower rate of churn. However, Hannah Vickers of the Association for Consultancy and Engineering cautioned against focussing excessively on the rate of churn. Projects should not rely on individuals, she warned, and the detrimental effect of churn was most keenly felt where robust governance is lacking.

18. Major projects often last many years and it is inevitable that there will be a turnover of the staff involved. Indeed, in some instances, the expertise needed to progress a project will change as it develops, and it is important that this is reflected in the turnover of staff. However, this differs from the rapid rotation of staff between posts. It can be mitigated through ensuring a steady pipeline of replacements and good knowledge management but its impact will still be detrimental. The Government is evidently conscious of the issue of churn on its major projects and steps taken to reduce the turnover of project SROs are to be welcomed. However, churn is an issue throughout the Civil Service and not only at SRO level. There is also a need to consider what conflicts of interest can arise as a result of this churn. The Government is introducing measures to combat it. It is too early to tell whether these have been successful, and it is something our successor Committee could return to.

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19 NAO Universal Credit: early progress HC 621 Session 2013–14 paras 3.29–3.31
20 Q276 (Prof Denise Bower, MPA)
22 IPA Annual Report 2017–18 p.14. SROs are the senior officials who are ultimately accountable for a particular project.
23 Q235
24 Q332
4 Project Planning, Approval and Assurance

19. We were told that the early planning of major projects is a major determinant of whether they are completed on time and on budget. Professor Bower of the MPA told us that “a project that starts badly never recovers”. A report by the NAO singled out poor planning for criticism. It said that “projects did not appraise options against realistic alternatives, made unrealistic performance projections, and could have used piloting and testing more effectively.”

20. Governments appear conscious of that and have put in place extensive assurance and appraisal processes for major projects. Before a major project can proceed, a business case must be drawn up outlining the need for the project, options for delivering it, and the risks it might entail. Before it can commence, HM Treasury assesses the need for the project, whether a range of options have been appraised, the commercial viability, its cost, and the robustness of the delivery plans. Before this stage, project plans can undergo a Project Validation Review (PVR), where the IPA advises the project team on project development. As the business case is developed, it can go through further Gateway reviews. The IPA has also established an Early Development Pool to support the initiation of major projects and try to ensure they are “set up for success”. These projects would then graduate to the GMPP once they are more established.

21. There is clearly an extensive focus on appraising project plans before they commence. Yet, projects still appear to overrun their budgets and their schedules all too frequently. To some extent, this can be attributed to the complexity of many major projects. These are often ambitious, complex and unique projects. Not all eventualities can be predicted, and a degree of risk is inherent. The written submission from HKA Global Ltd graphically illustrates the range of things that can go wrong in a single project. Professor Bower of the MPA suggested that project cost and completion dates should be given in a range, in recognition of that inherent uncertainty and to better manage public expectations. The Infrastructure Forum noted that Government contracts for delivering projects are also insufficiently flexible to allow for this risk and said that ranges for both cost and time should be used.

22. However, Professor Flyvbjerg, of University of Oxford’s Saïd Business School, notes that errors in predicting cost and time for project delivery arising from this uncertainty are almost always underestimates whereas a lack of predictive capability should also result in overestimates. Instead, he suggests those with an interest in the project proceeding have an incentive to minimise the predicted cost and time of a project, whilst maximising......
predicted benefits, in order to give it the best chance of proceeding. It underpins his iron law of megaprojects: that they overrun on cost, time and underdeliver the anticipated benefits.\footnote{B Flyvbjerg “The Iron Law of Megaprojects" in B. Flyvbjerg (ed) The Oxford Handbook of Megaprojects (Oxford University Press). Megaprojects are the largest major projects, typically costing in excess of $1 billion.}

23. One of the purposes of the scrutiny and assurance process is to ensure that opportunities for “spin” of this kind are minimised. That scrutiny is conducted by the IPA and HM Treasury, neither of which would typically be involved in a project’s initiation and would be unlikely to have the sort of interest in a project proceeding that Professor Flyvbjerg identifies. Yet, we heard that projects still overrun their costs and schedules.

24. In some instances, political pressure can result in projects being announced, sometimes accompanied by a budget or completion date, before proper appraisal has taken place.\footnote{Association for Consultancy and Engineering (MMP0007) para.1.6} Professor Bourne, of Cranfield University and a theme leader for Project X, suggested that political decisions can ensure a project proceeds, regardless of its business case.\footnote{Q416} Similarly, Nick Davies of the IfG noted the pressure that ministerial enthusiasm could bring to bear on the approval process:

> Once certain decisions have been made, it can be difficult to cancel a project. Individual ministerial careers can be bound up in getting projects through; sometimes you do not want to be the person who has rocked the boat.\footnote{Q191}

25. \textbf{Robust pre-approval scrutiny of project business cases is essential.} The Government has acknowledged that and there is a comprehensive system of pre-commencement scrutiny now in place. It seems, however, that political imperatives can subvert this scrutiny. It is entirely appropriate for Ministers to initiate projects. But if political pressure is sufficient to override this early scrutiny process, this will significantly impact on the successful deliver of major projects.

26. Another factor contributing to cost and schedule overrun that was highlighted to us was the way in which the Government manages relations with the firms contracted to deliver them. The highly transactional approach to contracting taken by Government, prioritising cost minimisation and the aggressive transfer of risk was a theme we noted in our report on sourcing public services in the wake of Carillion’s collapse, and it was also highlighted in evidence to this inquiry.\footnote{Ashley Miles from the Institution of Civil Engineering (I.C.E.) was one of those particularly critical of the transactional approach to dealing with the private sector. It was, he suggested, missing opportunities to engage constructively with the private sector at an early stage of project development. And, highlighting the sizeable cost overruns routinely seen on projects, it was failing to deliver cost reductions.} Ashley Miles from the Institution of Civil Engineering (I.C.E.) was one of those particularly critical of the transactional approach to dealing with the private sector. It was, he suggested, missing opportunities to engage constructively with the private sector at an early stage of project development. And, highlighting the sizeable cost overruns routinely seen on projects, it was failing to deliver cost reductions.\footnote{PACAC After Carillion: Public sector outsourcing and contracting Seventh Report of Session 2017–19 HC748 Q296}
market into which they are contracting and the implications of contracting decisions on it, and a greater focus on realistic, rather than lowest possible, pricing through the use of “Should Cost” models. These are welcome measures.

28. However, it was suggested that the Government could go further in developing productive, collaborative relationships with its contractors. The I.C.E. and the A.C.E. both advocated a move from a transactional approach to contracting to an “enterprise approach” of the kind developed by the Project 13 initiative. This has at its core a shift from viewing major project delivery as a chain of discreet tasks that can be contracted for, to viewing project delivery as a “shared enterprise”. Rather than a linear, series of transactional relationships running from client to contractor to sub-contractor, the project is managed as a network of collaborative relationships that might see, for instance, sub-contractors more integrated into project decision-making.

29. The Project 13 initiative is still work in progress and there are limited examples of its collaborative approach to contracting from which to evaluate its strengths and weaknesses. It is notable that the IPA has been involved in the development of the Project 13 initiative, which suggests that the possibility of a change of approach to contracting is being considered in Government. Nonetheless, even whilst advocating a less adversarial and more collaborative relationship between Government and its supply chain in delivering projects, Hannah Vickers of the A.C.E. noted that such an approach may not be appropriate in all circumstances. It would, for instance, impact on competition in the long term as a collaborative relationship with one contractor will mean that others are excluded from entering the supply chain.

30. We have been critical of the transactional approach the Government tends to adopt in its commercial relationships, at the expense of the quality of personal relationships and trust between contracting parties. An exclusive focus on minimising costs and aggressively attempting to offload risk has neither yielded value for money for taxpayers nor resulted in genuine risk mitigation. There are clearly benefits to a more collaborative approach. However, the circumstances under which this can take place and those where the benefits of a more conventional, transactional approach might be more appropriate are not yet clear to us. This is an issue that, should our successor Committee return to the subject of major projects, it could usefully inquire further.

40 Government Commercial Function The Outsourcing Playbook 2019
41 See Infrastructure Client Group From Transactions o Enterprises: A new approach to delivering High Performing Infrastructure ICE March 2017
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5 Evaluation

31. During the course of our inquiry, it became clear to us that the Government has devoted considerable effort to improving the way in which it delivers its major projects. We saw in chapter four the extensive appraisal process which prospective projects go through before commencement. Once underway, the IPA regularly reviews major projects’ progress until they are sufficiently advanced to exit the GMPP or, in fewer instances, deemed beyond salvation and terminated. However, it also became apparent that the focus is on the delivery of projects on time and on budget. This is, to some extent, understandable. The difficulty of forecasting benefits was stressed to us.\(^{42}\) It is hard to accurately predict cost and completion dates for large, complex projects which might take several years to complete, and harder still to predict benefits accurately. These could, for instance, be significantly impacted by the wider policy environment.

32. It was suggested to us that, despite the scrutiny of business cases we discussed in the previous chapter, the link between prospective projects and the policy goals they are supposed to achieve is not as strong as it should be. Projects can, for example, be developed before the needs they are designed to address have been established: Professor Lewis, of the University of Bath and a theme leader for Project X, referred to this as “benefit hunting”.\(^{43}\) Professor Williams, University of Hull and a theme leader for Project X, said that:

> projects should be there to address a need and, having decided to address a need, you should then think about how to address it. There is quite an emphasis on, “Here is a solution and this is a solution we will use” and then thinking about how it addresses a need.\(^{44}\)

33. The case for HS2 seems to highlight this. The IfG note that it has variously been presented as a means to reduce journey time, of increasing capacity to meet growing demand, and a vehicle for regenerating the West Midlands.\(^{45}\) It may, of course, be all of those things but it hints at retrospective justification for a controversial project.

34. Similarly, once projects commence, the focus is on successful completion rather than on the extent of any delays and cost overruns. Much less attention is given to assessing whether projects deliver the benefits that they promised. Professor Williams told us:

> We also have the impression now where the emphasis perhaps of the IPA is on the delivery of the project as defined: getting it on time, on cost, as defined at the beginning, and the actual benefits that the project is there to deliver sometimes get—I will not say lost but there is less priority put on that than the actual delivery of the project.\(^{46}\)

35. The IPA’s oversight of projects ends when they leave the GMPP and there is no centralised, systematic post hoc evaluation. Both the NAO and the IfG have been critical of the insufficiently robust evaluation of whether projects actually deliver their anticipated benefits. This, in turn, limits Government’s ability to learn from previous projects when planning new ones.

\(^{42}\)Q188 (Nick Davies, IfG)
\(^{43}\)Q412
\(^{44}\)Q413
\(^{45}\)G. Atkins et al. *What’s Wrong with Infrastructure Decision Making* Institute for Government 2017 p.3
\(^{46}\)Q398
36. The NAO found that practice varied between departments and projects. Many were either monitoring projects to see whether they were achieving the benefits or conducted a post hoc review. But this was not always the case and, in some instances, project objectives and benefits were not specified in a way that made it possible to judge whether they had been realised. The IfG concluded that:

   Evaluation is failing to capture whether or not infrastructure projects are actually achieving the outcomes they promised, despite evidence that by doing so they could improve future forecasting and project selection.

37. The difficulty of accurately forecasting the benefits of a project is clear. It can also be difficult to assess whether they have actually achieved what they were designed to achieve. Nonetheless, whilst there is considerable attention paid to improving project management, major projects are not an end in themselves but exist to achieve public policy goals. Robust ex ante scrutiny of the link between projects and the needs that they are supposed to address, and proper post hoc evaluation of whether they have done so, cannot be overlooked in the focus on improving project delivery.
Conclusions and recommendations

Introduction

1. The decision to hold an early General Election has curtailed our inquiry into this important topic whilst we were still gathering evidence and before we have been able to consider our conclusions and recommendations. By necessity, this report can only highlight a few of the main issues that have emerged in the evidence we have received to date and some of our initial impressions. We recommend that our successor Committee returns to this important matter at the earliest opportunity. (Paragraph 4)

The Government’s Management of Major Projects

2. When the IPA was established through the merger of the IUK and the MPA, the Public Accounts Committee (PAC) expressed concern that the MPA’s assurance role could be compromised in a merger with IUK, a delivery body the work of which the MPA had been charged with evaluating. We found no evidence to suggest that this has been the case. Should our successor Committee return to this area, an aspect it could usefully consider in more detail is the way in which the IPA interacts with the individual Government departments. (Paragraph 10)

Capability

3. Improvements in the Civil Service’s project delivery capability have been a priority of government over the last decade and we welcome this investment in a greater skills base for the delivery of major projects. Due to the curtailment of this inquiry, it is difficult for the Committee to know whether this increased training has translated into better delivery of projects and suggest that any inquiry in this area by a successor Committee should look at this. (Paragraph 15)

4. Major projects often last many years and it is inevitable that there will be a turnover of the staff involved. Indeed, in some instances, the expertise needed to progress a project will change as it develops, and it is important that this is reflected in the turnover of staff. However, this differs from the rapid rotation of staff between posts. It can be mitigated through ensuring a steady pipeline of replacements and good knowledge management but its impact will still be detrimental. The Government is evidently conscious of the issue of churn on its major projects and steps taken to reduce the turnover of project SROs are to be welcomed. However, churn is an issue throughout the Civil Service and not only at SRO level. There is also a need to consider what conflicts of interest can arise as a result of this churn. The Government is introducing measures to combat it. It is too early to tell whether these have been successful, and it is something our successor Committee could return to. (Paragraph 18)

5. Robust pre-approval scrutiny of project business cases is essential. The Government has acknowledged that and there is a comprehensive system of pre-commencement scrutiny now in place. It seems, however, that political imperatives can subvert this
scrutiny. It is entirely appropriate for Ministers to initiate projects. But if political pressure is sufficient to override this early scrutiny process, this will significantly impact on the successful deliver of major projects. (Paragraph 25)

6. We have been critical of the transactional approach the Government tends to adopt in its commercial relationships, at the expense of the quality of personal relationships and trust between contracting parties. An exclusive focus on minimising costs and aggressively attempting to offload risk has neither yielded value for money for taxpayers nor resulted in genuine risk mitigation. There are clearly benefits to a more collaborative approach. However, the circumstances under which this can take place and those where the benefits of a more conventional, transactional approach might be more appropriate are not yet clear to us. This is an issue that, should our successor Committee return to the subject of major projects, it could usefully inquire further. (Paragraph 30)

7. The difficulty of accurately forecasting the benefits of a project is clear. It can also be difficult to assess whether they have actually achieved what they were designed to achieve. Nonetheless, whilst there is considerable attention paid to improving project management, major projects are not an end in themselves but exist to achieve public policy goals. Robust ex ante scrutiny of the link between projects and the needs that they are supposed to address, and proper post hoc evaluation of whether they have done so, cannot be overlooked in the focus on improving project delivery. (Paragraph 37)
Formal minutes

Thursday 31 October 2019

Members Present

Sir Bernard Jenkin, in the Chair
Kelvin Hopkins  Mr David Jones
Mr David Jones

Draft Report (*The Government’s Management of Major Projects: An Interim Report*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 37 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Third Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

[Adjourned till Tuesday 5 November 2019 at 09.30am]
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee’s website.

Tuesday 6 November 2018

Sir Amyas Morse, Comptroller & Auditor General, National Audit Office  Q1–87

Monday 26 November 2018

Professor Bent Flyvbjerg, BT Professor of Megaprojects, Saïd Business School, Oxford  Q88–172

Tuesday 11 June 2019

Nick Davies, Programme Director, Institute for Government  Q173–239

Professor Denise Bower, Executive Director, Major Projects Association  Q240–286

Tuesday 25 June 2019

Hannah Vickers, CEO, Association for Consulting and Engineering and Miles Ashley, Fellow of the Institution of Civil Engineers (ICE) and Director, Wessex Advisory Ltd  Q287–366

Tuesday 9 July 2019

Professor Michael Bourne, Cranfield University, Project X, Dr Richard Kirkham University of Manchester, Project X, Professor Michael Lewis, University of Bath, Project X, Professor Terry Williams, University of Hull, Project X  Q367–479
Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

MMP numbers are generated by the evidence processing system and so may not be complete.

1. Ahiaga-Dagbui, Dr Dominic (MMP0025)
2. Association for Consultancy and Engineering (MMP0007)
3. Association for Project Management (MMP0011)
4. Barber, Mr Simon (MMP0009)
5. Blaiklock, Martin (MMP0004), (MMP0024)
6. Camden Civic Society (MMP0017)
7. Chartered Institute of Public Finance and Accountancy (MMP0026)
8. Chartered Quality Institute (MMP0002)
9. Civil Engineering Contractors Association Ltd (MMP0008)
10. Cordiner, Andrew (MMP0012)
11. Department for Business Energy and Industrial Strategy (MMP0010)
12. Department for Transport (MMP0013)
13. Dr Stephen Duffield, Martin Paver and (MMP0019)
14. HKA Global Ltd (MMP0022)
15. The Infrastructure and Projects Authority (MMP0014)
16. The Infrastructure Forum (MMP0028)
17. Institution of Civil Engineers (MMP0027)
18. Kiely, Mr Mike (MMP0020)
19. Kirkham, Dr Richard (MMP0016)
20. Lewis, Mr Bob (MMP0006)
21. Major Projects Association (MMP0001)
22. Mineral Products Association (MMP0030)
23. Patel, Jag (MMP0003)
24. Project Management Institute (MMP0018)
25. Professor Anne Stafford and Professor Pamela Stapleton, (MMP0005)
26. Stockton, Mr Timothy (MMP0021)
27. Stop HS2 (MMP0015)
List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee’s website.

Session 2019

First Report  Electoral Law  HC 244
Second Report  PHSO Report: North Essex Partnership University NHS Foundation Trust  HC 5

Session 2017–19

First Report  Devolution and Exiting the EU and Clause 11 of the European Union (Withdrawal) Bill: Issues for Consideration  HC 484
Third Report  PHSO Annual Scrutiny 2016–17  HC 492 (HC 1479)
Fourth Report  Ensuring Proper Process for Key Government Decisions: Lessons Still to be Learned from the Chilcot Report  HC 854 (HC 1555)
Fifth Report  The Minister and the Official: The Fulcrum of Whitehall Effectiveness  HC 497 (HC 1977)
Sixth Report  Accounting for Democracy Revisited: The Government Response and Proposed Review  HC 1197
Seventh Report  After Carillion: Public sector outsourcing and contracting  HC 748 (HC 1685)
Eighth Report  Devolution and Exiting the EU: reconciling differences and building strong relationships  HC 1485 (HC 1574)
Ninth Report  Appointment of Lord Bew as Chair of the House of Lords Appointments Commission  HC 1142
Tenth Report  Pre-Appointment Hearings: Promoting Best Practice  HC 909 (HC 1773)
Eleventh Report  Appointment of Mr Harry Rich as Registrar of Consultant Lobbyists  HC 1249
Twelfth Report  Appointment of Lord Evans of Weardale as Chair of the Committee on Standards in Public Life  HC 930 (HC 1773)
Thirteenth Report  A smaller House of Lords: The report of the Lord Speaker’s committee on the size of the House  HC 662 (HC 2005)
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