



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*

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Public Administration and Constitutional Affairs Committee

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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.¹ 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.²

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.

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

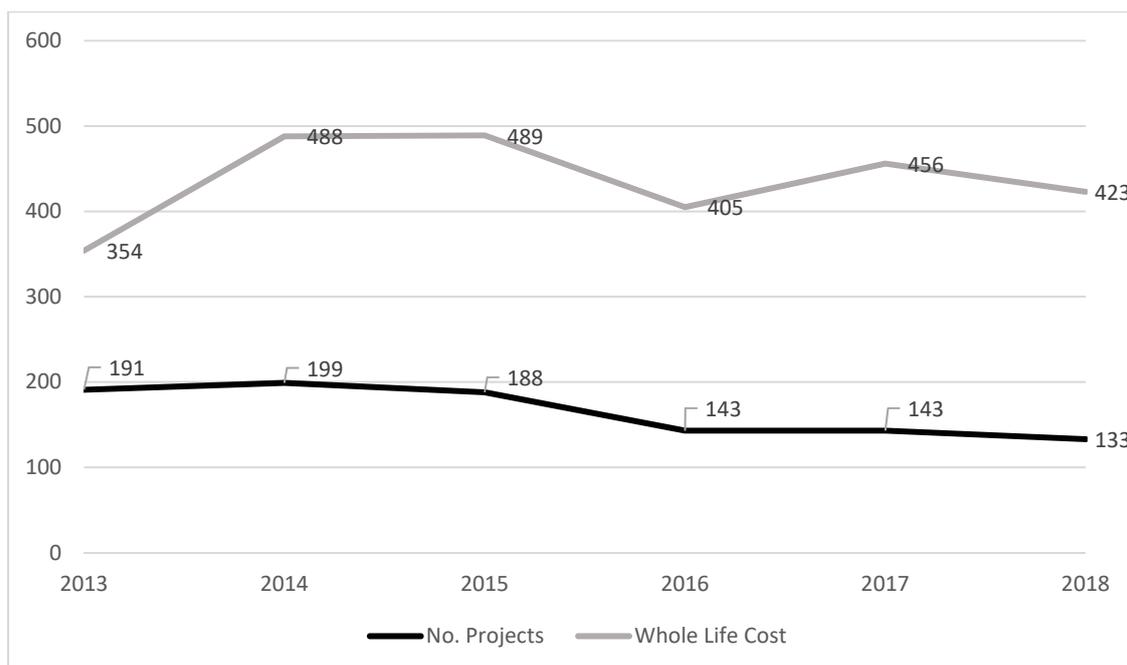
GMPP ⁴	No. Projects	Cost (Whole Life)	Monetised Benefits
Transformation and Service Delivery	41	£83bn	£330bn
ICT	29	£10bn	£24bn
Infrastructure and Construction	31	£196bn	£298bn
Military Capability	32	£134bn	£5bn
Total	133 projects	£423bn	£657bn

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

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



8. 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

9. 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

10. 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

6 IPA [Project Assurance Reviews Delivery Confidence Assessments: Guide for Review Teams](#) 2011

7 G. Freeguard et al [Whitehall Monitor 2018](#) Institute for Government 2018

8 IPA [Annual Report 2017–18](#) p.12

9 Committee of Public Accounts [Delivering Major Projects in Government](#) Session 2015–16 HC 710, p.5

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.¹⁰ 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.¹¹

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".¹² 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,¹³ 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 Saïd 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.¹⁴ 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.¹⁵

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."¹⁶ 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".¹⁷ 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*

10 E.g. PACAC [The Minister and the Official: The Fulcrum of Whitehall Effectiveness](#) HC497 5th Report of Session 2017–19; PACAC [Strategic Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the Government of the Day](#) 19th Report of Session 2017–19 HC 1536

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.¹⁸ 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.¹⁹ 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.²⁰

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.²¹ The IPA has highlighted the falling rate of churn amongst Senior Responsible Owners (SROs) on major projects.²² Nick Davies of the IfG also noted the lower rate of churn.²³ 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.²⁴

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.

18 PACAC [The Minister and the Official: The Fulcrum of Whitehall Effectiveness](#) HC497 5th Report of Session 2017–19, paras 59–80

19 NAO [Universal Credit: early progress](#) HC 621 Session 2013–14 paras 3.29–3.31

20 [Q276](#) (Prof Denise Bower, MPA)

21 See PACAC [The Minister and the Official: The Fulcrum of Whitehall Effectiveness](#) HC497 5th Report of Session 2017–19 paras 59–80

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”.²⁵ 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”.²⁶

20. Governments appear conscious of that and have put in place extensive assurance and appraisal processes for major projects.²⁷ 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.²⁸ 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”.²⁹ 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.³⁰ 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.³¹ 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.³²

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.³³ 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

25 [Q241](#)

26 [NAO Delivering major projects in government: a briefing for the Committee of Public Accounts](#) Session 2015–16 HC 713 p. 14

27 The Infrastructure and Projects Authority ([MMP0014](#)) paras 30–33

28 The so-called Five Case Model for assessing project business cases is set out in HM Treasury [The Green Book](#) 2018, paras 3.5–3.18. See also The Infrastructure and Projects Authority ([MMP0014](#)) para. 32

29 IPA [Annual Report 2017–18](#), p.4

30 HKA Global Ltd ([MMP0022](#)), p.2

31 [Q248](#) Also [Q292](#) (Miles Ashley, ICE)

32 The Infrastructure Forum ([MMP0028](#)) para. 16

33 B. Flyvbjerg “Survival of the Unfittest: Why the Worst Infrastructure Gets Built—and What We Can Do About It” *Oxford Review of Economic Policy* Vol. 25(3) 2009, p.349–51

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.³⁴

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.³⁵ 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.³⁶ 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.³⁷

25. 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.³⁸ 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.³⁹

27. The Government produced an *Outsourcing Playbook* this year to improve how it manages its commercial relationships. This includes guidance for officials on early engagement with the prospective contractors, promoting a greater understanding of the

34 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.

35 Association for Consultancy and Engineering ([MMP0007](#)) para.1.6

36 [Q416](#)

37 [Q191](#)

38 PACAC [After Carillion: Public sector outsourcing and contracting](#) Seventh Report of Session 2017–19 HC748

39 [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.⁴⁰ 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.⁴¹

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 to Enterprises: A new approach to delivering High Performing Infrastructure](#) ICE March 2017

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.⁴⁷ 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.⁴⁸

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.

47 NAO [Projects Leaving the Government Major Projects Portfolio](#) HC1620 Session 2017–19, p.24–27; G Atkins et al [What's Wrong With Infrastructure Decision-Making: Conclusions from Six UK Case Studies](#), Institute for Government, 2018, p.28

48 G Atkins et al [What's Wrong With Infrastructure Decision-Making: Conclusions from Six UK Case Studies](#), Institute for Government, 2018, p.33

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 David Morris

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
First Special Report	Government Response to the Committee's 20th Report of Session 2017–19: The Role of Parliament in the UK Constitution: Authorising the Use of Military Force	HC 251

Session 2017–19

First Report	Devolution and Exiting the EU and Clause 11 of the European Union (Withdrawal) Bill: Issues for Consideration	HC 484
Second Report	Parliamentary Boundary Reviews: What Next?	HC 559 (HC 1072)
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)

Fourteenth Report	The Role of Parliament in the UK Constitution Interim Report The Status and Effect of Confidence Motions and the Fixed-term Parliaments Act 2011	HC 1813 (HC 2065)
Fifteenth Report	Status of Resolutions of the House of Commons	HC 1587 (HC 2066)
Sixteenth Report	PHSO Annual Scrutiny 2017/18: Towards a Modern and Effective Ombudsman Service	HC 1855
Seventeenth Report	Ignoring the Alarms follow-up: Too many avoidable deaths from eating disorders	HC 855
Eighteenth Report	Governance of official statistics: redefining the dual role of the UK Statistics Authority; and re-evaluating the Statistics and Registration Service Act 2007	HC 1820
Nineteenth Report	Strategic Leadership in the Civil Service: Sustaining Self Governance and Future Capability while Supporting the Government of the Day	HC 1536
First Special Report	Will the NHS never learn? Follow-up to PHSO report 'Learning from Mistakes' on the NHS in England: Government Response to the Committee's Seventh Report of Session 2016–17	HC 441
Second Special Report	The Future of the Union, part two: Inter-institutional relations in the UK: Government Response to the Sixth Report from the Committee, Session 2016–17	HC 442
Third Special Report	Lessons still to be learned from the Chilcot inquiry: Government Response to the Committee's Tenth Report of Session 2016–17	HC 708
Fourth Special Report	Government Response to the Committee's Thirteenth Report of Session 2016–7: Managing Ministers' and officials' conflicts of interest: time for clearer values, principles and action	HC 731
Fifth Special Report	Parliamentary Boundary Reviews: What Next?: Government Response to the Committee's Second Report	HC 1072
Sixth Special Report	PHSO Annual Scrutiny 2016–17: Government and PHSO Response to the Committee's Third Report	HC 1479
Seventh Special Report	Ensuring Proper Process for Key Government Decisions: Lessons Still to be Learned from the Chilcot Report: Government Response to the Committee's Fourth Report	HC 1555
Eighth Special Report	Government Response to the Committee's Eighth Report: Devolution and Exiting the EU: reconciling differences and building strong relationships	HC 1574
Ninth Special Report	Government Response to the Committee's Seventh Report: After Carillion: Public sector outsourcing and contracting	HC 1685
Tenth Special Report	Government Response to the Committee's Tenth Report: Pre-Appointment Hearings: Promoting Best Practice, and to the Committee's Twelfth Report: Appointment of Lord Evans of Weardale as Chair of the Committee on Standards in Public Life	HC 1773

Eleventh Special Report	Government Response to the Committee's Fifth Report: The Minister and the Official: The Fulcrum of Whitehall Effectiveness	HC 1977
Twelfth Special Report	Government Response to the Committee's Thirteenth report: A smaller House of Lords: The report of the Lord Speaker's committee on the size of the House	HC 2005
Thirteenth Special Report	Government Response to the Committee's Fourteenth Report: The Role of Parliament in the UK Constitution Interim Report The Status and Effect of Confidence Motions and the Fixed-term Parliaments Act 2011	HC 2065
Fourteenth Special Report	Government Response to the Committee's Fifteenth Report: Status of Resolutions of the House of Commons	HC 2066