

Improving IT procurement

The impact of the Office of Government Commerce's initiatives on departments and suppliers in the delivery of major IT-enabled projects



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
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Preface

The successful delivery of IT-enabled projects is essential to the effective functioning of government and has a direct bearing on departments' abilities to deliver improved public services. This report presents the results of a value for money examination of the work of the Office of Government Commerce (OGC) in recent years to help departments improve their procurement of IT-enabled projects.

The history of such procurements has not been good, with repeated incidences of overspends, delays, performance shortfalls and abandonment at major cost. The OGC has therefore introduced a number of initiatives to address the causes of these repeated failures and there is evidence that department and supplier behaviour is changing positively as a result of this work. These remain, however, early days; IT-enabled projects often take several years to complete and involve major changes to the way departments carry out their work. While this report highlights some of the positive actions departments have taken in response to OGC initiatives, as well as elements of good practice emerging from the case study projects featured, other projects continue to falter and fail. Sometimes this occurs within the same department and Accounting Officers must determine why one project succeeds where another fails.

This report identifies three essential requirements that need to be in place for programmes and projects to be successful:

- rigorous challenge and scrutiny of projects and programmes at each key stage in their lifecycle;
- highly skilled and capable programme and project managers; and,
- effective engagement with suppliers.

There is increasing challenge and scrutiny of IT projects and programmes

The introduction of independent scrutiny through Gateway Reviews has imposed a framework that increases the likelihood of early identification of threats to the successful delivery of major IT-enabled projects. Regular reporting on progress improves the visibility and transparency of projects and offers the means to better co-ordinate and target guidance. The creation of a process of regular project reviews is becoming part of the culture of delivering major IT-enabled

projects and in many cases has been adopted by departments. However, the concerns raised in Gateway Reviews have remained broadly the same since their introduction in 2001, and unless there is growing evidence that these weaknesses are being addressed their recurrence will reduce confidence in the ability of OGC and departments to bring about a step change in the performance of projects.

Much has been put in place by the OGC to improve skills but take-up remains low

The OGC has produced a comprehensive set of initiatives to improve IT procurement by departments, but this advice is not always followed. While, individually, each piece of guidance and each new initiative has made a useful contribution to the improvement process, they have been developed at different times and for different purposes. For experienced users, knowing how to access the range of material is straightforward, but it can be difficult for new users who are most in need of advice to know what advice is available, particularly, for example, when accessing the *Successful Delivery Toolkit*.

Departments recognise that there is a lack of skills and experience necessary to deliver major IT-enabled projects. While the OGC has put in place initiatives to tackle shortfalls in experience across government, most particularly the *Successful Delivery Skills Programme* and the *Programme and Project Management Specialism*, departments have yet to take full advantage of these.

The recent creation of *Centres of Excellence* within each department creates the opportunity to bring together guidance and develop sustainable project and programme management skills. Centres of Excellence co-ordinate programme and project management, including strategic oversight, scrutiny and challenge across a range of major IT-enabled and other projects, reporting regularly to departmental Boards.

Departments should follow OGC's example and actively engage with Industry

The close working relationship between OGC and "Intellect" - the Industry representative - is helping to build trust between Industry and the public sector, through the creation of frameworks and codes of practice, designed to bring about greater clarity of respective roles and responsibilities. At a corporate level, departments are increasingly aware of these developments through their Centres of Excellence, but these initiatives have yet to reach project teams. It is important that this should happen so that those ultimately responsible for delivering projects and programmes know what they can expect from suppliers and, in turn, what suppliers should expect from them.

Departmental Boards need to provide leadership and commitment to the acquisition of commercial skills throughout the organisation. Any detailed initiatives put in place will not work unless they are drawn together into a complete and coherent set of actions. This requires the commitment of the Board, along with a mindset to develop links with suppliers and the wider IT market place, so that projects are properly understood, innovative thinking can be explored and realistic and practical deals can be secured. In practice this would require the appointment of a board-level commercial director within departments, engaging with suppliers as the "intelligent customer" as would be the case in the private sector.

The ultimate responsibility for project success rests with individual departments, and for the various initiatives to translate into successful delivery it is essential that departmental Boards exercise clear leadership and commitment to make certain that guidance is followed, skills are developed and maintained, risks properly identified and managed, and the rigour of the Gateway process becomes ingrained in departmental thinking. Here we set out six key questions for Accounting Officers to routinely ask their Boards. The National Audit Office will monitor adherence to these as part of its reporting of departments' IT procurement performance.

Improving IT Procurement: Key issues for accounting officers

1 Expectations for IT-enabled business change are realistic

What steps have you taken to address the Prime Minister's requirement that risks to successful delivery should be adequately considered before policy announcements are made?¹

2 Key guidance is acted upon

How has your Board responded to the issues raised in Treasury Guidance of March 2004² so that you can be confident that risks are being properly managed?

Have you got the right team in place?

3 Gateway results are fully implemented

Have you set a target to improve Gateway results?

How are you making sure that emerging lessons are being learned across projects and programmes?

4 Your Centre of Excellence is making a difference

What do you know about good practice and innovation in your own and other departments?

Do you seek regular and frequent briefing from your Centre of Excellence?

5 Scrutiny by your Board is effective

Is there sufficient skill and experience at Board level to exercise effective oversight of major IT-enabled projects and programmes?

What measures do you have to assess your overall capacity to bring about IT-enabled change?

6 Close links with suppliers

Do you have a Commercial Director or equivalent representation at board level?

How often does the board engage with key suppliers?

¹ *Improving Government Risk Handling Personal Minute from the Prime Minister to the Deputy Prime Minister 29 March 2004.*

² *Dear Accounting Officer Letter DAO(GEN) 07/04 30 March 2004 (see Appendix 2).*

executive summary

- 1 Central civil government spent £15 billion on goods and services in 2002/03, equivalent to about one per cent of the United Kingdom's Gross Domestic Product. Expenditure on information technology accounted for £2.3 billion or 16 per cent of the procurement expenditure,³ second only to accommodation costs. Ten departments/agencies accounted for three-quarters of the total IT expenditure, while five suppliers won 60 per cent of contracts. There is a history of failure of major IT-enabled projects, characterised by delay, overspend, poor performance and abandonment.
- 2 The Office of Government Commerce (OGC) was established in April 2000 to work with departments to improve their procurement capability in areas such as major IT-enabled projects. This was re-enforced when the Prime Minister announced in November 2002 that he had asked Peter Gershon (then Chief Executive, OGC) to strengthen the successful delivery of government IT-enabled projects and programmes. In response, Peter Gershon invited Cabinet ministers in December 2002 to agree six key actions to improve the success rate of such projects. The six actions were:
 - Establish Project/Programme Management (PPM) Centres of Excellence in each department with a remit including its agencies and Non Departmental Public Bodies;
 - Accounting Officers to provide assurance on existing (pre 'go-live') and new major projects that they do not contain the common causes of failure identified by the NAO and the OGC;



- Mandate no big-bang implementations and developments (modular, incremental developments and implementations) unless approved by central scrutiny group (for example, the Chief Secretary to the Treasury, Minister for e-Transformation, Office of the e-Envoy, Office of Government Commerce);
- No government initiative (including legislation) dependent on new IT to be announced before analysis of risks and implementation options has been undertaken;
- Force prioritisation of all existing and new projects as Mission-Critical, Highly Desirable and Desirable;
- All high risk and mission-critical projects to have clearly identified (i) responsible Minister (ii) Senior Responsible Owner and Project Manager with good relevant track records.

³ This is calculated from the OGC's procurement database, containing information from 36 departments.

- 3 These Cabinet actions and the list of common causes of failure (listed at **Figure 1**) agreed between OGC and the National Audit Office were disseminated to departments through a 'Dear Accounting Officer' letter in February 2003, updated in March 2004.⁴

1 Common causes of failure in IT-enabled projects

- 1 Lack of clear link between the project and the organisation's key strategic priorities including agreed measures of success.
 - 2 Lack of clear senior management and Ministerial ownership and leadership.
 - 3 Lack of effective engagement with stakeholders.
 - 4 Lack of skills and proven approach to project management and risk management.
 - 5 Lack of understanding of and contact with the supply industry at senior levels in the organisation.
 - 6 Evaluation of proposals driven by initial price rather than long-term value for money (especially securing delivery of business benefits).
 - 7 Too little attention to breaking development and implementation into manageable steps.
 - 8 Inadequate resources and skills to deliver the total delivery portfolio.
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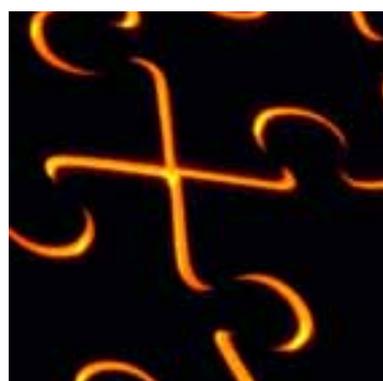
- 4 The OGC reports every four months to the Prime Minister on the status of 'mission-critical' IT-enabled projects. These IT-enabled projects or programmes are essential for either the successful delivery of major legislation, meeting Public Service Agreement targets, or implementing policy initiatives announced and owned by the Prime Minister or a Cabinet Minister. Mission-critical projects also include those where failure will have catastrophic implications for delivery of public services, national security or the internal function of a public service operation.
- 5 The value for money examination reported here assesses the impact of the OGC's work to date in helping departments improve IT procurement and makes recommendations on how further improvements can be achieved. It is based upon a review of OGC's activities, tools and guidance; an assessment of five major IT-enabled projects selected from the population of 'mission-critical' programmes and projects in three government departments; and a review of the literature exploring lessons learned in the private sector and abroad. The five major IT-enabled projects summarised in **Figure 2** are described in further detail in Appendix 1.
- 6 In Part 1 of the report we assess the recent history of IT procurement in the United Kingdom central civil government against a backdrop of performance in other countries. We also reflect the views of the IT industry on why IT projects can fail. Part 2 assesses the impact of OGC initiatives in broad terms, looking in particular at the impact that Gateway Reviews are having generally on increasing scrutiny and oversight of projects and programmes. Then in Part 3 we look at the five case studies of major IT-enabled projects in more detail, examining how departments have managed these projects, drawing on the new approaches and processes developed by OGC in partnership with them. We also look at the OGC's work with Industry in seeking to establish frameworks and working practices that will help project teams and suppliers to work more closely together, to avoid the confusions that often characterise IT procurements, and to secure greater success.

2 The five major IT-enabled projects involve large sums of money and offer service improvements to large sections of the community

Department or Agency	Project or Programme	Value	Beneficiaries
Department for Work and Pensions	The Payment Modernisation Programme aims to provide flexible, secure and convenient payment of benefit through bank accounts rather than paper-based Order Books.	£465 million	13 million benefit recipients
	The Jobcentre Plus Implementation Programme aims to help more people into jobs by establishing a network of modern Jobcentre Plus Offices with new business processes delivering an improved service to its customers.	£2.2 billion	5 million benefit claimants
Home Office	The Case Information Database Enhancement Programme is designed to improve control and screening at ports and to provide reductions in the time taken to make and serve initial asylum decisions and appeals.	£36 million	30,000 asylum applicants
	The Offender Assessment System within the Prison Service aims to provide an electronic systematic offender risk and needs assessment system, which will be joined with the system in the Probation Service.	£11.7 million	Up to 80,000 prisoners
Driver and Vehicle Licensing Agency	The Partners Achieving Change Together contract has established a strategic partnership to provide upgraded and flexible electronic registers of vehicles and drivers.	£550 million: representing £301 million in respect of the core contract and an estimated further £250 million for development aspects.	39 million drivers and 32 million vehicles

Key findings

- 7 The OGC has no authority to direct departments, but encourages them to achieve value for money through its activities. The OGC has put in place four key initiatives that are designed to improve the procurement of IT-enabled projects. These are the:
 - i. Gateway Review process;
 - ii. Centres of Excellence;
 - iii. Successful Delivery Toolkit; and,
 - iv. Successful Delivery Skills Programme and Programme and Project Management Specialism.
- 8 Beyond this the OGC has worked closely with representatives from Industry to put in place frameworks and mechanisms for the establishment of closer relations and joint working between departments and suppliers.
- 9 The introduction of *Gateway Reviews* provides an independent assessment of the status of IT-enabled and other projects at various stages of the procurement lifecycle. More recently, the establishment of *Centres of Excellence* in departments offers the potential to provide strategic oversight, scrutiny and challenge, across the portfolio of departments' projects and programmes; to ensure the application of good practice; and to improve skills and capability in project and programme management. Supporting both the Gateway process and the Centres of Excellence are programmes providing guidance and best practice on the procurement of IT and improving the skills of project managers. The *Successful Delivery Toolkit* brings together best practice in a single point of reference and is available via the Web and other sources. The *Successful Delivery Skills Programme* and the *Programme and Project Management Specialism* aim to improve the commercial skills of departments.
- 10 Our analysis of the OGC's activities, interviews with departments and suppliers, and our assessment of five major IT-enabled projects suggests that some of the common causes of failure noted at paragraph 3 are being successfully tackled, and that the processes now in place are increasing the likelihood of project success, but more remains to be done.



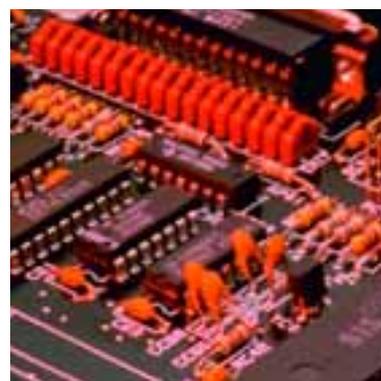
Increasing scrutiny and oversight of programmes and projects

- 11 **Project reviews.** Departments reported that the most effective OGC initiative was the Gateway Review process. Between the inception of the Gateway process in February 2001 and 31 March 2004, there have been 440 Gateway Reviews conducted on 254 IT-enabled projects. The Gateway Review reports provided to Senior Responsible Owners,⁵ and in particular the Red-Amber-Green traffic light used to indicate the status of the project,⁶ provide the means for effective project assurance systems for project teams and departmental senior management. More recently, the four-monthly report from the OGC Chief Executive on mission-critical projects provided to the Prime Minister ensures the visibility of major IT-enabled projects at the most senior level.

⁵ The Senior Responsible Owner is the individual responsible for the overall success of the project or programme.

⁶ See paragraph 1.10 and Figure 7 for further explanation of the RAG system.

- 12 Over three-quarters of departments surveyed for the National Audit Office report *Improving Procurement*⁷ had used Gateways and all found them useful or very useful. The OGC collects feedback from project teams, detailing satisfaction ratings for Gateways. Senior Responsible Owners are asked to rate the Gateway process from 0 to 4 against 19 different questions, for a maximum possible score of 76. Response rates for this questionnaire are currently improving, and up to 45 per cent of those polled have responded. Since the initiation of Gateway Reviews, Senior Responsible Owners have regularly responded with scores of over 60, or 80 per cent of the total possible. Whilst it is reassuring that those who respond provide positive feedback, the OGC needs to sustain and improve the level of questionnaire return to have confidence in these statistics.
- 13 The common issues raised in Gateway Reviews since their introduction have remained broadly similar. The main issues are:
- the need for involvement of key stakeholders;
 - the clearer identification of the roles and responsibilities of departments and suppliers in the governance of IT-enabled projects;
 - improved development of business cases, particularly on the scope and content;
 - better risk management; and,
 - improved skills and resources, including resource planning, succession planning, and the quantity and quality of suitably skilled staff.
- 14 The Gateway Review process involves six key gates. There are five OGC Gateway Reviews during the lifecycle of a project, three before contract award and two looking at service implementation and confirmation of the operational benefits. In addition there is a repeatable Gate 0 for programmes, designed to confirm the feasibility and viability of the initiative when set against other corporate priorities and objectives. Further Gate 0 reviews later in the life of the Programme can revisit and confirm the business case, the management of programme risks, the management of the portfolio of the projects, and the delivery of benefits.
- 15 Gateway Reviews can be undertaken at any stage of a programme or project and the first Gateway Review a programme or project undergoes may not be at the first gate of the project lifecycle, although this is strongly recommended by OGC. To 31 March 2004, half of all Gateway Reviews were undertaken at Gates 2 (Procurement Strategy) or 3 (Investment Decision). A high proportion of these reviews were undertaken for the first time: 63 per cent of those at Gate 2 and 41 per cent of those at Gate 3. In addition, only 13 per cent of Projects moved from Gate 4 (Readiness for Service) to Gate 5 (Benefits Realisation). Since the introduction of the Red-Amber-Green system in June 2002, 67 IT-enabled projects have passed through more than one gate. In that time 43 per cent of projects improved their status and 38 per cent maintained the same status. **This evidence indicates that the Gateway Review process is improving the procurement of IT, and that this should increase the likelihood of successful delivery. A major risk, however, is that projects are entering the process too late - that is at Gates 2 and 3 (crucially, after the business case has been prepared), and exiting the process too early - that is before Gate 5 (when an assessment of the continuing need for the service, value for money and contract management arrangements can be made).**



⁷ *Improving Procurement: Progress by the Office of Government Commerce in improving departments capability to procure cost-effectively. National Audit Office 2003-04 (HC 361).*



- 16 The Gateway Review process provides a mechanism by which departments can manage innovation risk in initiating new projects. A red review at Gate 0 should be positively interpreted as it shows that the review process is working effectively and that risks are being picked up at the earliest opportunity. On the other hand, two consecutive red reviews is unacceptable, and triggers a letter from the Chief Executive of the OGC to the Permanent Secretary of the department responsible. To date 8 double-red projects have been IT-enabled. In our examination, two of the five case studies had multiple Gateway Reviews reporting a RAG status. For example, and as discussed in detail in Part 3 of this report, for the Driver and Vehicle Licensing Agency's Partners Achieving Change Together project, there was a change from Red at Gateway 3 (Investment decision) to Green at Gateway 4a (Readiness for Service - Technical Transition)⁸ due to the implementation of a number of recommendations regarding the proposed contract.

Developing skilled programme and project managers

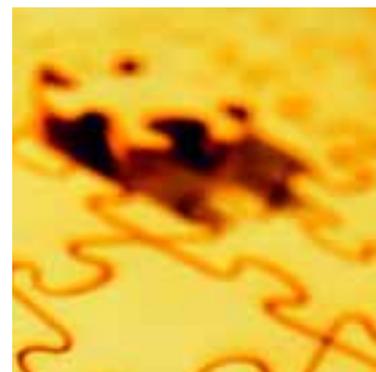
- 17 **Encouraging good practice.** Only 45 per cent of respondents to a survey about usefulness of OGC guidance in the National Audit Office report *Improving Procurement* had used the Successful Delivery Toolkit. In the present study, we found that those people who were aware of OGC guidance were satisfied with its content, but reported difficulty in accessing information posted on the OGC website. More importantly, it can be difficult for new and inexperienced users to know what advice is available, and how to make best use of it at the appropriate time. Although OGC receives information on usage of the Internet version of the Toolkit including numbers accessing different pages and the amount of material downloaded, this does not provide any indication of how these web-based products are utilised, or how best to improve their usefulness.
- 18 The introduction of Centres of Excellence provides the opportunity to develop, disseminate and promote departmental programme and project management standards, methods, techniques and tools by using, building on and tailoring the good practice guidance provided by the OGC including through the Successful Delivery Toolkit.
- 19 **Improving skills and capacity.** There is clear evidence that departments lack appropriate Project and Programme Management (PPM) skills and experience and this presents a major risk to successful delivery of many IT-enabled projects. For example, the National Audit Office report, *New IT systems for Magistrates' Courts: the Libra project (2003)*,⁹ concluded that no external IT advice was sought and that technical assessment of the project was undertaken in-house. In this study we found that for the OASys project neither the HM Prison Service nor its supplier, EDS, had the skills immediately available to manage a novel process for developing software which were accordingly brought in from an established and trusted partner. The take up of the OGC's Successful Delivery Skills Programme has been low. To tackle this issue, departments are starting to take action in transferring business-oriented skills to the public sector by engaging commercial third parties to manage projects or recruiting individuals from a recent commercial background. In addition, the introduction of the Programme and Project Management Specialism in October 2003 will encourage the internal growth of these skills for staff who wish to follow a career in programmes and projects rather than line-oriented career paths.

8 This project underwent two separate Gate 4 (readiness for Service) reviews, a Gateway 4a covering the technical transition and a Gateway 4b covering the organisational transition.

9 *New IT systems for Magistrates' Courts: the Libra project. National Audit Office 2002-03 (HC 327).*

Engaging effectively with suppliers

- 20 Working with industry.** The establishment of a clear understanding of the respective positions between supplier and department, as well as the sharing of responsibilities, risks and benefits, are critical to successful delivery of IT-enabled projects. Industry has begun to work with the OGC and departments to increase the mutual confidence of all stakeholders in the procurement of IT-enabled projects, but this work is not yet institutionalised. The establishment of the Senior IT Forum and the publication of the *Government Procurement Code* and the *IT Supplier Code of Best Practice* are major steps in developing sustainable partnerships between the public and private sector. As a result, OGC guidance recommends the establishment of Joint Project Boards, with senior representation of both departments and suppliers. Our research showed that partnerships could be broken down into three levels. First, at an industry level, mechanisms such as the Senior IT Forum, jointly run by the OGC and Intellect, were widely regarded by suppliers and departments as a very useful forum for the exchange of views and building of trust. Second, partnerships at a corporate level between departments and suppliers are formally articulated in contracts and through Joint Project Boards. In the case of the Driver and Vehicle Licensing Agency, its Executive Board has a representative from the supplier (IBM) with full executive responsibility and the same status as Agency directors - although excluded from Board discussions in respect of the financial aspects of the contract itself and without authority to formally commit Agency expenditure externally. Finally, and perhaps most importantly, partnerships exist between individuals. This was highlighted in the level of good working relationships among the Home Office Immigration and Nationality Directorate, Siemens Business Services (the prime contractor) and SchlumbergerSema¹⁰ (providing client-side support and delivering training), despite serious problems at a more senior level with project delivery.
- 21 Innovation.** The public sector market for IT has until recently been dominated by a relatively small number of suppliers. Five companies accounted in 2002-2003 for over 60 per cent of the IT provision to central civil government. This limited choice potentially restricted competition as these five suppliers could more aggressively dictate the terms of a contract, and excluded potentially innovative suppliers who might better meet government needs. This potential was recognised by the OGC, which in a report, *Increasing Competition and Improving Long-Term Capacity Planning in the Government Market Place*, published in December 2003, concluded that 'the public sector needs to take a more systematic and strategic approach to the markets in which it operates'.
- 22** There are, however, a number of examples of innovative thinking about the acquisition of IT-enabled projects. For example, the Driver and Vehicle Licensing Agency has flexible agreements with its suppliers. The contract with IBM allows for flexibility in the delivery of other IT-enabled business change programmes. Although the provision of adequate contractual safeguards for such flexible arrangements may require complex negotiation - the contract is 512 pages long - they were seen to be a useful device in helping to deliver flexibility, value for money, and to significantly reduce delivery timescales. For example, the contract both allows for further IT systems and business development and also potentially for other Agencies and Departments to access services provided through the contract. Another example of contractual innovation is the business benefits based contracting included in the Jobcentre Plus contract which directly linked some payments to EDS to increases in the number of jobseekers who found jobs.



¹⁰ Note: SchlumbergerSema is now part of Atos Origin group and trades under the name Atos Origin UK, with Atos KPMG Consulting.

Recommendations

- 23 What the Gateway process has revealed is that many of the problems of IT-enabled programmes and projects are not about the technology itself, but about the determination of the business processes that it is designed to serve and the selection and training of staff who will operate the new arrangements. The Gateway Review process' insistence that the planning, management and implementation of programmes and projects with an IT element should also have regard to these matters has been of great value.
- 24 The degree to which it is possible to assess whether the procurement of IT-enabled projects has improved as a result of the OGC's activities, tools and guidance is difficult to judge at this time given the recent introduction of a number of these initiatives. What can be said is the structures are in place to minimise the risk of future IT failure and that department and supplier behaviour is changing positively as a result of the OGC's work. The challenge for the OGC, departments and suppliers is to ensure that this momentum is maintained and that it is realised in improved IT procurement. Against this background, we derive eight recommendations that should result in further improvement in the future.
- 25 The introduction of the Gateway Review process provides an effective means of early identification of threats to the successful delivery of IT-enabled projects and increases transparency in the project management process. Evidence to date, however, shows that the concerns raised in Gateway Reviews have remained broadly the same since their introduction in 2001, and unless there is growing evidence that these weaknesses are being addressed their recurrence will reduce confidence in the ability of OGC and departments to bring about a step change in the performance of projects. **This requires the regular and sustained engagement of departmental and agency boards, and the Gateway performance of projects and programmes should be a routine agenda item.**
- 26 At the present time the OGC has a range of activities, tools and guidance. But there is a risk that usability is compromised because it has been developed at different times for different audiences and is not coherent. **The OGC should review how it works with departments and agencies and create a strategy to change behaviour that includes a clear understanding of its clients' needs, experience and capabilities.** Our examination showed that OGC staff had different views of its key audiences and how they were reached. While this may reflect individuals' work in different areas, it was also apparent that these differences were, in part, the result of there being no shared communication strategy for the whole Office. This was backed up by evidence from departments which highlighted that they were not always aware of all the relevant guidance available to them.
- 27 **The OGC should continue to evaluate, monitor and assess the impact of its non Gateway Review activities such as Centres of Excellence, the Successful Delivery Toolkit and the Successful Delivery Skills Programme to ensure they accurately reflect what is most valued and that they are consistent. This may be achieved through expanding current monitoring mechanisms or may warrant developing a separate monitoring programme.** Many OGC activities are still relatively new and it is too early to fully evaluate their impact. For example, the Centres of Excellence were only inaugurated in June 2003. The OGC commissioned an independent review of the embedding of best practice across Government, and they should work towards implementing the actions arising from this review as well as continuing to monitor and evaluate all their non Gateway activities.
- 28 **To enhance further the impact of Gateway Reviews, departmental Centres of Excellence should provide advice to Senior Responsible Owners on best practice guidance relevant to their Gateway Review recommendations.** Senior Responsible Owners need to share Gateway Review reports with departmental Centres of Excellence and should also consider case-by-case their dissemination to key suppliers. Gateway Review teams are encouraged by OGC to refer to the information in the Successful Delivery Toolkit in Gateway Review Reports, thus project teams are more likely to follow, and demonstrate the following, of such guidance or other sources of best practice. Further, it would enhance feedback to the OGC as to the quality, impact and relevance of their guidance, thereby keeping the product portfolio lean and of use. Finally, it would ensure that Gateway Review Teams are fully aware of OGC guidance.
- 29 Centres of Excellence provide for the first time a central point to embed guidance within departments and to develop programme and project management skills to promote successful delivery. **Departments need to ensure that Centres of Excellence align their tools and guidance with that of the OGC, and that these are disseminated to project teams.** Active communication is a two-way process. Just as the OGC should review its communication with departments, departments should actively seek out,

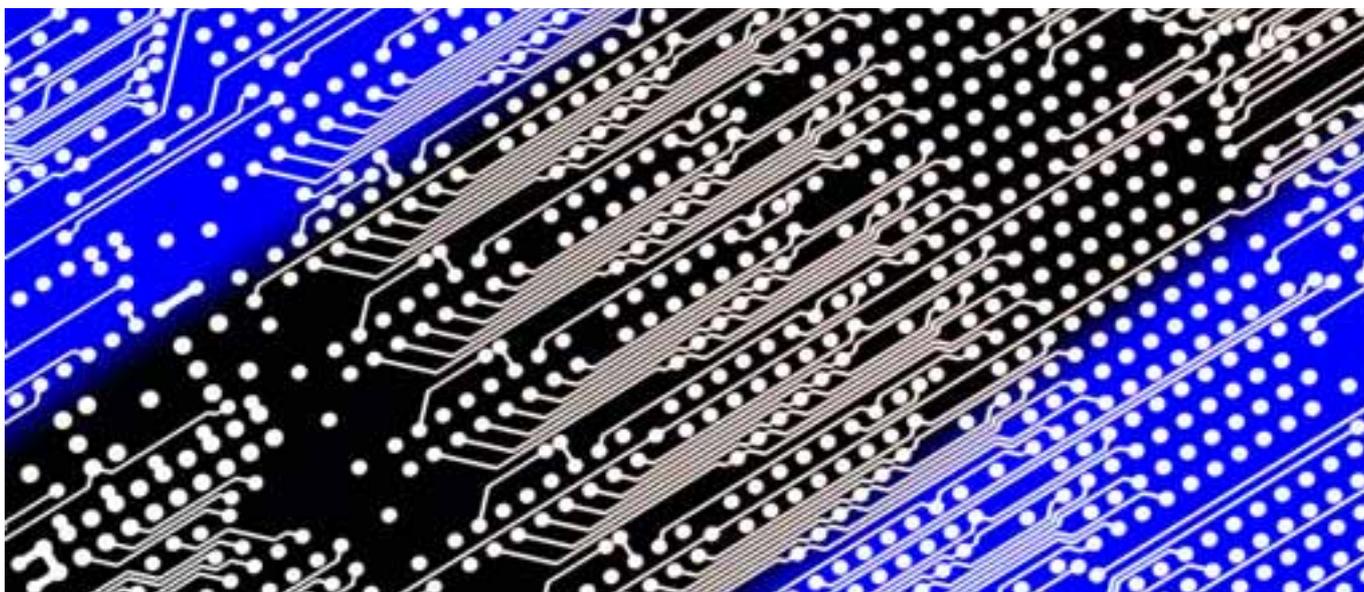
use and contribute to the development of the tools, guidance and activities provided by the OGC. The establishment of Centres of Excellence provides an opportunity for departments to disseminate this information to Senior Responsible Owners and all project team staff. The Joint Action Plan¹¹, which sets out the shared aspirations of the OGC and departments, also provides a vehicle for taking forward this recommendation.

- 30 Departments do not have enough programme and project managers to manage IT-enabled projects. **Departments need to set in place arrangements to develop a cadre of experienced programme and project managers.** Departments do not take full advantage of OGC activities such as the Successful Delivery Skills Programme or the more recent Programme and Project Management Specialism. Only by assuring that IT-enabled projects are managed by skilled and experienced individuals can project success become at all possible. One major way to do this is to recruit from the private sector people who have the requisite skills, another possibility is to engage with private sector bodies and agencies who frequently have well developed skills in their areas, in new ways - possibly even 'sub-contracting' the responsibility for this support. Departments should start or sustain appropriate programmes of career development, to ensure the recruitment and retention of people with Programme and Project Management competencies. In addition, the OGC should promote the Successful Delivery Skills Programme as another method of addressing this process.

- 31 The close working relationship between OGC and "Intellect" - the Industry representative - is helping to build trust between Industry and the public sector, through the creation of frameworks and codes of practice, designed to bring about greater clarity of respective roles and responsibilities. At a corporate level, departments are increasingly aware of these developments through their Centres of Excellence, but these initiatives have yet to reach project teams. **The challenge for the OGC, departments and agencies, and suppliers, is to continue to work together to ensure that these initiatives result in a step change in the management of major IT-enabled projects.**

- 32 The ultimate responsibility for success and for the various initiatives to translate into successful project delivery rests with individual departments. **It is essential that Departmental and Agency Boards exercise clear leadership and commitment to make certain guidance is followed, skills are developed and maintained, risks properly identified and managed, and the rigour of the Gateway process becomes ingrained in departmental thinking.**

As reviewed in Part 2 of this report, and assessed in this section, the OGC has put in place a range of initiatives and good practice guidance designed to help departments tackle the lack of expertise in IT procurement. Specifically, the role of Gateway Reviews offers the means to better co-ordinate and target guidance, while the introduction of Centres of Excellence within departments offers the opportunity to develop sustainable project and programme management skills.



11 See: http://www.ogc.gov.uk/embedded_object.asp?docid=1001005.