



## **The Critical Success Factor: Delivering Modernised Government through Programme Management**

### **Introduction**

Radical changes in the management and procurement of delivery programmes are essential for Government to achieve its public service targets for 2005.

The agenda set out by the present Government for Modernising Government<sup>1</sup> and improving services in Health, Justice, Welfare, Education and Transport is the most challenging public sector change programme ever undertaken in the UK. High-level objectives for Modernising Government are defined in the white paper of 1999<sup>1</sup>: to make interaction between government and the public easier, improve service and enhance the standing of public service, but the detailed roadmap of how to get there and who is responsible is not clear.

Programme Management is the method by which hundreds of individual change and investment projects can be coordinated to deliver maximum benefit. It is widely recognised as essential for controlling this type of activity and is supported by the Office of Government Commerce (OGC). However, while there is general agreement about how change should be managed, this is not happening at the working level, suggesting that the likely outcome will be a large cost with little benefit. The problem seems to be particularly acute in central government, while many local authorities are making significant progress.

Bringing about organisational and behavioural change is particularly difficult and planned benefits often fail to materialise because projects focus on delivering computers or software, while the benefits arise from the way they are used. Programme Management provides a coordinated view, enabling risk to be balanced and managed across the portfolio and delivery of benefits to be achieved.

### **Recommendations**

The realisation of Modernising Government hinges on actions that fall within the remit of OGC and individual departments (with support from OGC), Cabinet Office, National Audit Office and the Public Accounts Committee.

1. A complete list of high value projects across the public sector should be published, showing how each relates to the overall policy and to other projects, with quantitative outcomes.
2. The recommendations of the *Successful IT: Modernising Government in Action* report<sup>2</sup> and OGC best practice must be joined up into a coherent, understandable approach that can be applied in practice.
3. This should include the specification, measurement and reporting of objectives and should be mandated for public and private sector use on all government programmes.
4. Training in these areas should be a prerequisite for appointment as project or programme manager on such work.
5. Programme Managers with the requisite experience and skill set must be developed by cooperation between industry and the public sector.
6. Senior Responsible Owners (SRO) must be selected on ability (leadership, programme experience and influential skills) not grade; be involved from initiation of the programmes and give the role top priority and adequate time.
7. Programmes must be managed in a no-blame culture in which decisiveness and managed risks are encouraged, with rewards linked to achievement.
8. The contractual framework within which industry and government work together on change programmes must emphasise outcomes and value rather than cost and volume.

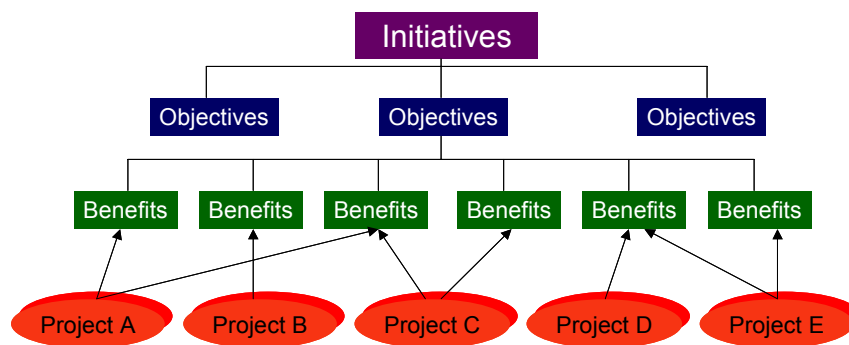
## What Is Programme Management?

Programme management has been the subject of a number of publications by the OGC (formerly CCTA) since 1994.<sup>3,4</sup> The elements of programme management, including Project Management, Risk Management and Benefit Realisation, are embodied in the recommendations of *Successful IT: Modernising Government in Action*<sup>2</sup> and are implicit in proposals such as the January 2002 white paper on local government<sup>8</sup>. The IT industry equally recognised the importance of the principles in the CSSA paper on the subject.<sup>5</sup>

There are clear examples of where Programme Management has been practised rigorously with excellent result, such as the introduction of Self Assessment by the Inland Revenue: or the

restructuring of the Ordnance Survey topographic database. Yet, the term Programme Management is not widely recognised or understood and we see little evidence that it is practised on Business Change programmes involving IT in Government.

The essence of Programme Management is the management of a collection of related projects to bring about a beneficial change in the state of an organisation. In the private sector this often means an increase in value or profitability and in the public sector an improvement in service, the implementation of policy or a reduction in cost. A programme must be thought of in terms of a structure such as that below, constructed from the top down and delivered from the bottom up:



## Definitions

Definitions vary but some common themes of programme management are:

- The elements of the programme are related to strategy and together deliver a measurable change in performance rather than simply the delivery of products, so the results must be continually measured in business terms.
- Programmes cross functional silos and so need to be managed at senior level by empowered individuals.
- A programme is ongoing – business change is a journey rather than a destination – with new projects being added as old ones are completed.
- Programmes exist in an environment in which the economy, policy and technology are continually changing. Management, therefore, involves continual evaluation of the collection of projects and whether they continue to be relevant and contributing benefit, as well as the culling of projects where necessary.
- Elements of a programme are prioritised to focus on early and important outcomes or benefits in order to maximise **value**.
- The relationship of the elements of the programme must be understood, to ensure that they fit together to deliver the required effect completely and without duplication.
- Project management is an essential element of programme management, but it is not sufficient in itself to ensure delivery of benefits from investments.
- Programmes focus on value. Traditionally, for the private sector, Value = Benefit – Cost, all measured in £'s and, while this does not always apply in the Public sector, mechanisms such as Public Service Agreements provide a key metric of benefit that can be used to justify investment and trade off between competing business cases.

Traditional project management metrics (cost, time, scope) are not enough to provide a reliable indication of the performance of complex change programmes. The programme manager and/or Senior Responsible Owner need a wider dataset to answer the key, business-related questions highlighted in the chart below, and to ensure that every activity is contributing to strategic goals.



## Focus On Outcomes

Project management is typically measured by the delivery of objects, such as computers and facilities. It is an effective mechanism for getting pieces of work done but without a programme framework does not address the wider objectives.

The job of the *project* manager may be completed by the construction of a building. Benefit is achieved in the following 1, 5 or 25 years through the proper use of the facility. *Programme* management takes a lifecycle view of the asset and is concerned with delivering measurable benefits.

A Government department recently demonstrated benefit from an investment in IT by showing that outsourcing had achieved delivery of a new system at a lower cost. The department was unable to

show that the system had delivered any operational advantage across multiple divisions. No individual was charged with ensuring that it was used at all, or properly across divisions.

Yet the objective of modernising government is not (just) to do it cheaper, but better.

A local authority programme to establish Joint Care Trusts (for both health and social care) was not subject to a definition of the business case and measurable benefits. There was thus no baseline against which to manage the outcomes.

Performance targets both enable management of benefits delivery and provide clear evidence after the event of what has been achieved.

## Joining Forces

The challenge of modernising government involves thousands of projects of diverse kinds, including IT, communications infrastructure, personnel development, cultural change and public relations. Any project involves multiple suppliers, internal teams and crosses organisational boundaries.

The challenge is all the more complex because much of the change must be brought about through organisations with delegated or devolved responsibility / authority: local government, RDAs,

NHS trusts, police authorities and so on. Over 400 NHS Trusts may go their own way to implement EPRS (Electronic Patient Record Systems) rather than adopt a national solution; regional "justice" departments also adopt local solutions.

Without a joined up view of the overall programme, projects may be initiated and completed without contributing anything towards the overall desired outcomes.

## Speed Of Response

It is common philosophy in the private sector (and parts of government) that if a project cannot show results in 6 months then it should not be started. Yet extended decision-making timescales prevail in other parts of the public sector:- the NHS HR

system takes 2 years just to select a supplier.

Revolutionising public service quickly is a tough challenge. Regular milestones ensure that benefits are on track and early wins help to

maintain momentum. The programme should be continually adapted to bring forward benefits. This is only possible if the whole can be broken

down into manageable pieces, while at the same time seeing the big picture of how they all fit together.

## Government And Suppliers Working Together

The government cannot bring about major change without the involvement of the private sector, either as partner or supplier. Yet, while there is much talk of partnership, the reality is that customer and supplier are often on opposite sides of a great divide.

Traditional supplier contracting processes focus on technical compliance and minimum cost. The winner naturally acts to expand the scope of work to exploit wafer thin margins and extend the contract. The losers have incurred crippling bidding costs and vow not to offer their wares to Government in future. There is little incentive for departments to find low cost solutions if saving money just results in next year's budget being cut.

A pre-requisite for partnership is a major change in the procurement process. Getting best value depends on rewarding the supplier for delivery of outcomes, not completion of projects. A focus on benefits invites the government / industry partnership to looking creatively at different approaches to achieving the same goal. The user department should tell suppliers the business objectives and targets, without pre-judging the solution. Industry should then propose how to meet the targets with rough cost indicators. One or perhaps two suppliers are selected for detailed negotiations which involve the user department working together with industry to generate a common plan, shared information and a non-confrontational attitude to risk and reward.

## The Skills And Culture Gap

The OGC material on programme and project management is widely and rightly regarded both in industry and government as the best source of intellectual property available on the subject. However, there is a severe shortage of managers in both departments and industry partners with the requisite skills and experience to apply this guidance in practice. There is a widespread belief that PRINCE2 project methodology is enough to ensure successful programmes, and avoid blame. *Managing Successful Programmes* from the OGC is an excellent guide to programme management but requires a level of maturity in the user community that is beyond many departments. There is a need for a comprehensible, practical programme approach that can be rolled out and adopted across government programmes.

Cultural change in public service is one of the cornerstones of modernised government. Yet as well as being an outcome it is a pre-requisite for making the other changes happen.

Programme management is about accepting responsibility to make things happen, while public service has traditionally been about avoiding blame by stopping things happening and inhibiting change. Making things happen demands a no-blame, collaborative, risk taking, incentivised culture as in the recommendations of EURIM Briefing 32 on Change Management<sup>6</sup> and the Cabinet Office report: *Wiring it Up*<sup>7</sup>. Programmes must report to an accountable individual empowered to make decisions. The programme should be visible to the public and industry through publication of the programme plan.

## Conclusion

The Modernising Government White Paper itself identifies many of the issues raised here. Government intent is sincere and OGC guidance is good but the skills, processes and culture needed to make it happen are lacking. While the application of programme management is recognised as essential, it is not embedded within the operations of departments. As a result, actions are not consistently benefits driven, decisions are not being taken quickly enough and the desired outcomes will not be realised in the timescales set, if at all.

## References

1. Modernising Govt. White Paper, Cabinet Office 1999
2. Successful IT: Modernising Government in Action, Cabinet Office, 2000
3. Managing Successful Programmes, OGC, 1999
4. A Guide to Programme Management, CCTA, 1994
5. Getting IT Right for Government, CSSA, 2000
6. EURIM Paper 32 - Change Management for e-Whitehall
7. Wiring it Up, Performance & Innovation Unit Report, 2000
8. Strong Local Leadership – Quality Public Services, DTLR White Paper, January 2002