

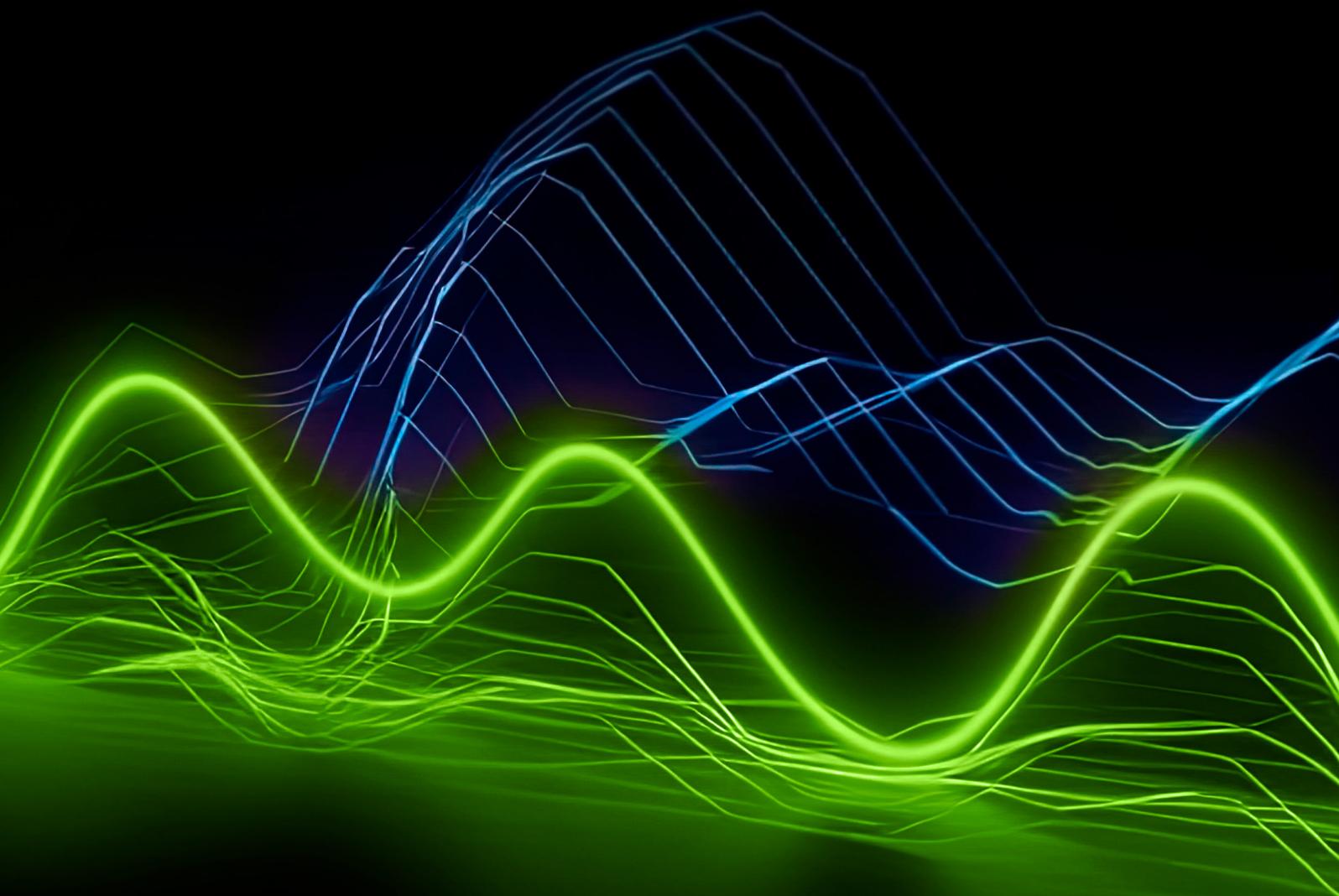
Deloitte.



Restoring and increasing delivery confidence
in Government Major Programme delivery

Ben Lolley & Jamie Leich

June 2023



Government Major Programmes and Risk

The last nine years has seen Government Major Projects Portfolio (GMPP) spending grow to an astounding £678 billion. Despite significant investments in delivery capability and assurance regimes, the delivery confidence of most projects in the portfolio remains a challenge, with 83% rated amber or red.

GMPP-listed Defence schemes are inherently complex and often carry intrinsic risk. There are many factors such as enhanced scrutiny, focus on complex cutting edge technology, and intricate supply chains that make it difficult to achieve and sustain a high delivery confidence rating. The problem with this, however, is that many of these schemes are linked to prosperity and national security. Low levels of confidence and failure to deliver could hinder our ability to counter contemporary and future threats.

Increasing Delivery Confidence

The Infrastructure and Projects Authority's (IPA) Annual Report on Major Projects in 2021-22 identifies one of these Programmes as being critical to "enabling the UK to continue to play a significant role in global military operations." Despite this criticality, it has an amber rating as a result of low confidence in its delivery.

Major schemes are often hard coded with challenges from the outset, but once delivery is in flight, addressing said challenges can feel like an insurmountable task. This is especially true when conventional set up and delivery methodologies are used. These methodologies have not evolved much over recent years, yet the expectations of them have increased significantly. When you combine this with the inherent complexities of defence and the sector's history of challenged delivery, it is clear something needs to be different.

A New Approach for the Digital Age

Maintaining the current approach will not produce different results. Defence organisations are fully aware these challenges exist – and there are opportunities arising to take corrective action. Innovative mindsets and approaches, such as Deloitte's Programme Aerodynamics® deliver value faster, and enhance the ability to run large, very complex programmes while reducing the overall risk profile.

Reset

A fundamental part of Programme Aerodynamics® is the RESET framework. RESET supports schemes with reduced delivery confidence by identifying the root causes of distress, determining interventions with the highest impact, and developing a plan to get back on track for successful delivery.

The National Audit Office recently published its own Programme Reset analysis¹ – which has a number of similarities to Deloitte's framework. Both approaches recognise the challenges in delivering a major programme in a volatile, uncertain, complex and/or

¹ NAO Lessons Learned Resetting Major Programmes.pdf

Rapid Diagnostic	One day in our purpose-built greenhouse to assess key challenges and map out treatments for recovery. Two weeks of document reviews and interviews
Established diagnostic	Focuses on 'quick wins', mobilisation of recovery, priority, actions, and assessing opportunities to enhance delivery further
Stabilise	Deliver recovery interventions through the 'brilliant basics'; resource, augmentation, capability, building, and/or transformation
Evolve	Continue to support and strengthen capabilities in response to evolving priorities and program requirements
Transition	Transfer capability and responsibility back to the appropriate delivery team once the program has recovered

ambiguous environment. This can be seen through Prof. Bent Flyvbjerg's observation that only 8.5% of mega schemes deliver on time and budget². The increasing value in being able to "reset" a programme is clear and both approaches offer potential solutions. They also recognise the importance of developing the right capability to deliver a reset, and the need to focus on outcomes and benefits.

What can be done?

Taking an in-flight space and communications programme as a use case, we see a number of common themes that could be addressed by RESET and Programme Aerodynamics®.

Realistic and resourced planning:

A number of Delivery Confidence Assessments highlighted the need to develop a robust, realistic, and resourced delivery plan. We believe a Strategic Design & Delivery Office approach for management and oversight of the programme can help delivery teams create conditions needed to achieve success. It would also predict external demands on the scheme and respond to them using a dynamic and forward-looking mindset.

Navigation of complex governance processes and transition through gateways and delivery milestones:

A Continuous Strategy approach to planning can help leaders focus on upcoming challenges and create holistic plans to overcome them. They can use data/modelling to evolve delivery strategies while ensuring plans and resource are ready for the next challenge.

Transparent reporting and telling truth to power:

A challenge routinely observed on GMPP schemes is inaccurate or diluted performance reporting which creates inconsistent or false pictures of progress, risks or issues. A digitally enabled Strategic Design & Delivery Office which is staffed independently of any projects and sits across the entirety of the portfolio can mitigate this. This ensures accurate reporting is generated when needed based on real time data reported directly from project teams.

Skills shortages: Skills shortages and lack of access to Suitably Qualified and Experienced Persons (SQEP) impact most GMPP schemes - especially defence initiatives given their unique and complex nature. Our Human Systems Design approach can help the programme

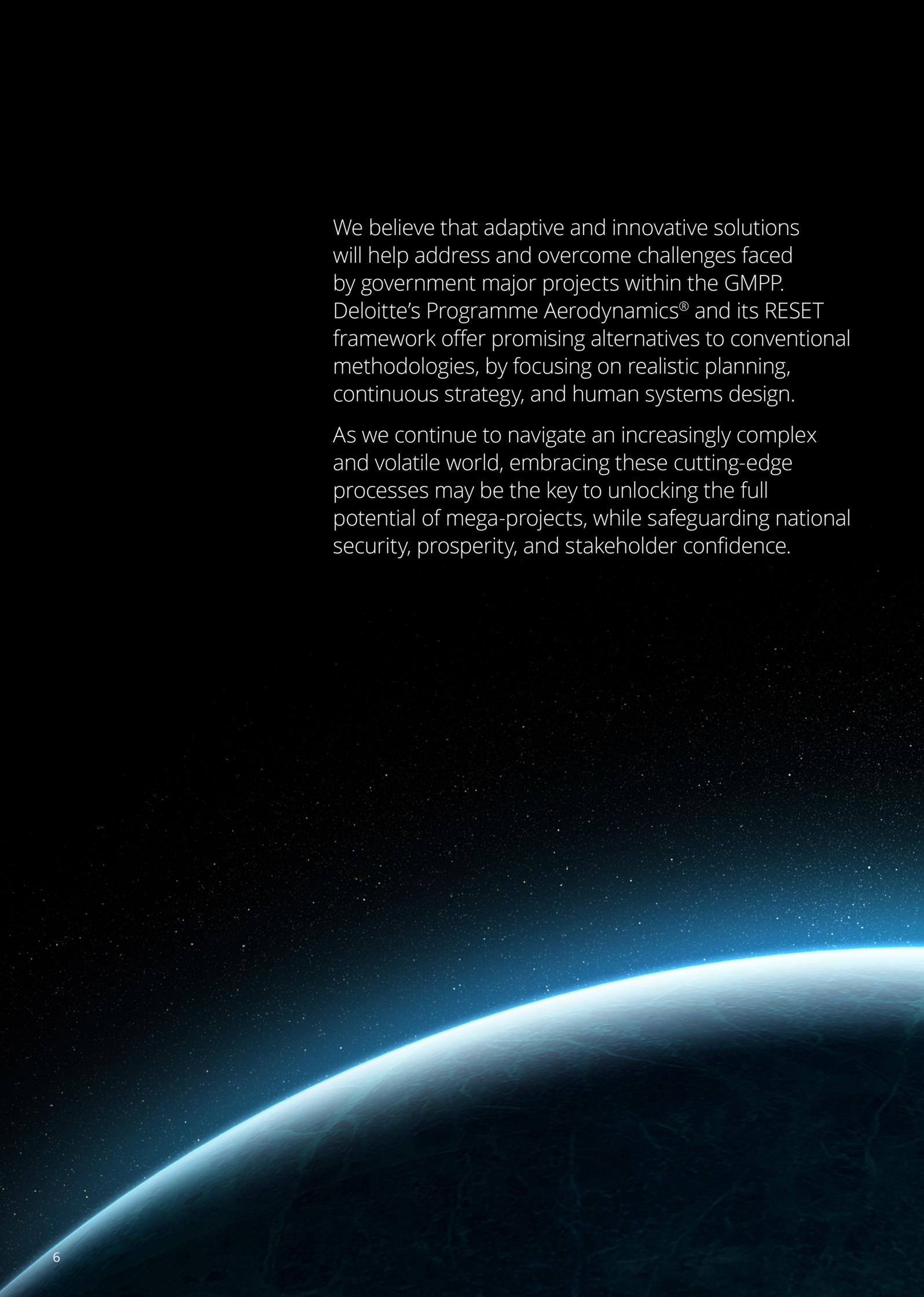
plan for skills and experience needed at different lifecycle points, while optimising capability, team dynamics, and delivery structures for each stage, instead of aiming for the nearest milestone.

The need to re-architect the

Programme environment: Programmes of this size and nature need to be designed to be outcome focused. Programme Aerodynamics emphasis that operating environments evolve and programmes need to adapt to change factors. Using the use case example, this means creating a Programme which has:

- In built flexibility, to adapt to domestic political and geopolitical change.
- A streamlined structure that focuses on delivery, and accurate, bias-averse reporting.
- Contractual efficiency, where success is mutually beneficial, and risk is appropriately shared.
- ...and perhaps most importantly – the will to take bold and deliberate action in the future where needed.

² Future Forums - Megaproject management: how big things get done — FT Forums



We believe that adaptive and innovative solutions will help address and overcome challenges faced by government major projects within the GMPP. Deloitte's Programme Aerodynamics® and its RESET framework offer promising alternatives to conventional methodologies, by focusing on realistic planning, continuous strategy, and human systems design.

As we continue to navigate an increasingly complex and volatile world, embracing these cutting-edge processes may be the key to unlocking the full potential of mega-projects, while safeguarding national security, prosperity, and stakeholder confidence.

Authors & contacts



Ben Lolley
Author
blolley@deloitte.co.uk



Jamie Leich
Author
jleich@deloitte.co.uk



Tony Reeves
Digitising Defence Partner
treeves@deloitte.co.uk



Lewis Feilder
Defence Air & Space leader
lfeilder@deloitte.co.uk



Important notice

This document has been prepared by Deloitte LLP for the sole purpose of enabling the parties to whom it is addressed to evaluate the capabilities of Deloitte LLP to supply the proposed services.

Other than as stated below, this document and its contents are confidential and prepared solely for your information, and may not be reproduced, redistributed or passed on to any other person in whole or in part. If this document contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities). No other party is entitled to rely on this document for any purpose whatsoever and we accept no liability to any other party who is shown or obtains access to this document.

This document is not an offer and is not intended to be contractually binding. Should this proposal be acceptable to you, and following the conclusion of our internal acceptance procedures, we would be pleased to discuss terms and conditions with you prior to our appointment.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NWE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2023 Deloitte LLP. All rights reserved.

Designed and produced by 368 at Deloitte. J31098