



PROMS-G
Project Management
Specialist Group



BCS PROMS-G Event 14 December 2022

National Audit Office Report Review – Looking at portfolios in government.

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National Audit Office

Role of the NAO

We are the UK's independent public spending watchdog.

We support Parliament in holding government to account and help improve public services through our high-quality audits.



Collating our knowledge on government projects

Our strategic priorities

Improving our support for effective accountability and scrutiny

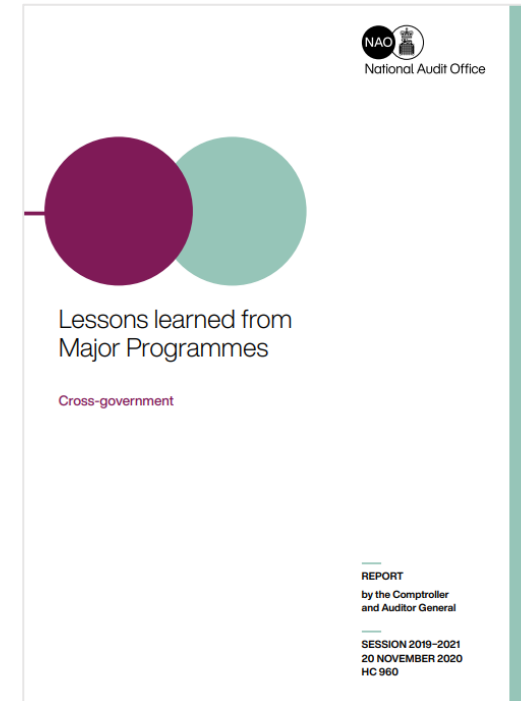
We provide assurance that public resources are accounted for accurately and used as intended. When this does not happen, we point it out. We will upgrade our methodology and software to deliver higher-quality audits using data analytics. This will provide Parliament with deeper insights to scrutinise public spending, and those responsible for the governance of the bodies we audit with the assurance they need.

Increasing our impact on outcomes and value for money

Our work focuses on the issues that matter and we will place greater emphasis on where we can influence long-term value for money. We will make better use of our analytical and audit expertise to identify how public services can be improved. This will allow more insightful and practical recommendations that lead to better outcomes.

Providing more accessible independent insight

We will be known as a valuable source of knowledge on how well public resources are used and how the governance and performance of public services can be improved. We will synthesise what we know on important issues and make it easier for others to understand and apply the lessons from our work.



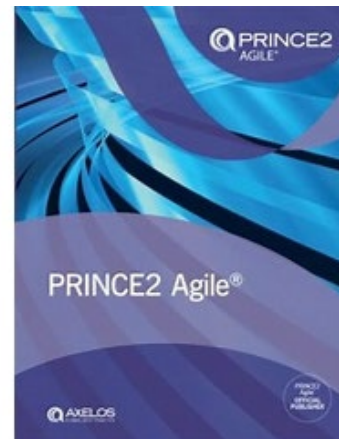
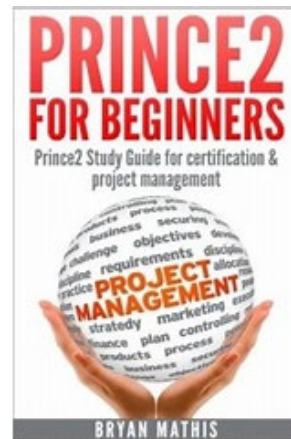
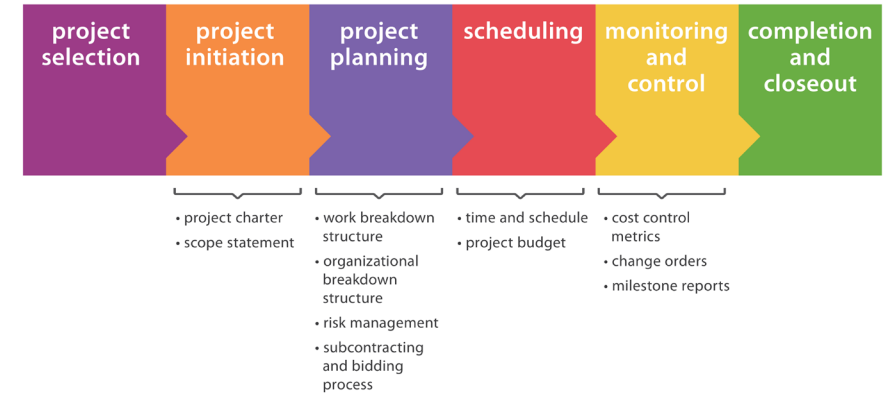
Projects, Programmes and Portfolios

What do we mean by a portfolio?

Projects and programmes have well established definitions -

And loads of tools to help you manage them

Traditional View of Project Management



Projects, Programmes and Portfolios

What do we mean by a portfolio?

Definitions vary to some degree



A collection of programmes and/or projects to structure and manage investments to optimise strategic benefits and/or operational efficiency.



The selection, prioritisation and control of an organisation's programmes and projects, in line with its strategic objectives and capacity to deliver. The goal is to balance the implementation of change initiatives and the maintenance of business-as-usual, while optimising return on investment.

And there are some portfolio management tools out there in the market

Infrastructure and Projects Authority

Assurance Workbook
Portfolios and portfolio management

Version 1.0
Date issued: 15 July 2021

Approved for internal government trial

Jointly reporting to HM Treasury and Cabinet Office

Deloitte Dashboard

- REGIONS YOUR ATTENTION: 115, 134, 115, 134, 158
- PROJECT HEALTH: 407
- PROJECT UPDATES: 5
- My Launchpad: My Organizations, My Communities, Create Project, Create Community
- Documents: Table with columns for Category, Name, Date, Status, Assigned To
- Recent Activity: List of recent updates and actions

Good practice guide
Framework to review portfolios

National Audit Office

January 2022

We are the UK's independent public spending watchdog

Projects, Programmes and Portfolios

What do we mean by a portfolio?

My favourite description is this:



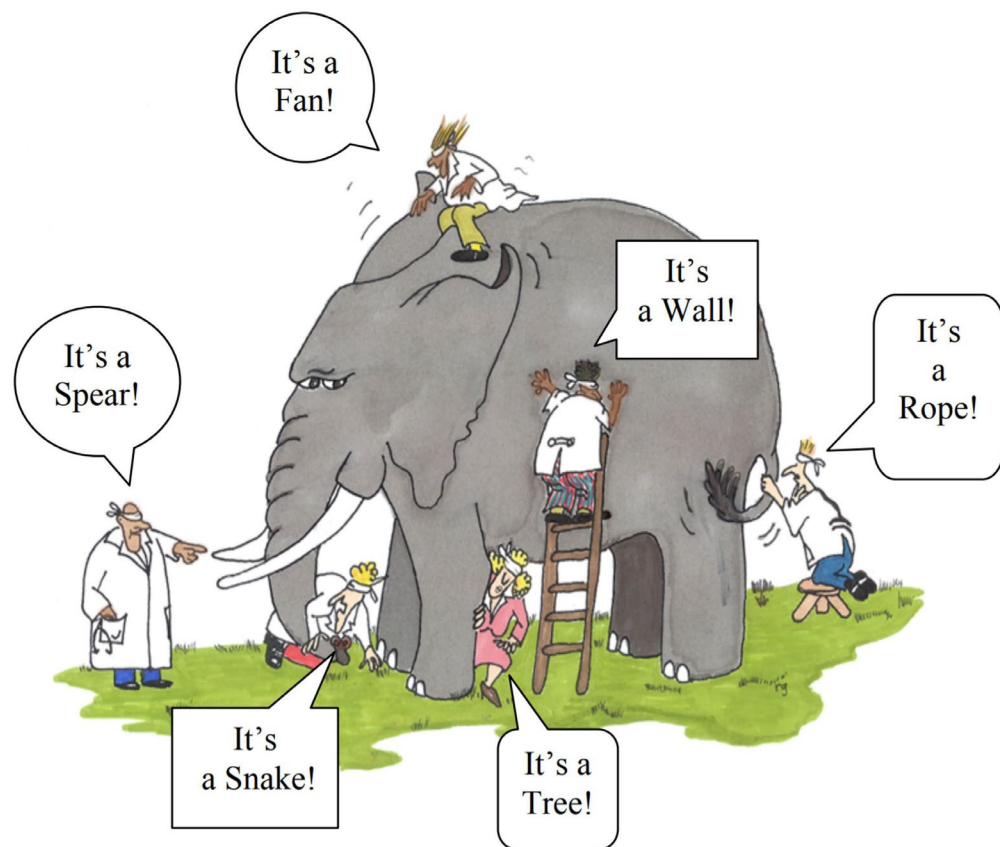
Because portfolios are about:

- Implementing strategy
- Taking an holistic view
- Making investment decisions
- Considering Business as Usual as well a projects and programmes
- Making compromises – stopping, delaying or changing things to ensure strategic alignment
- Transforming a whole business or organisation
- Thinking differently

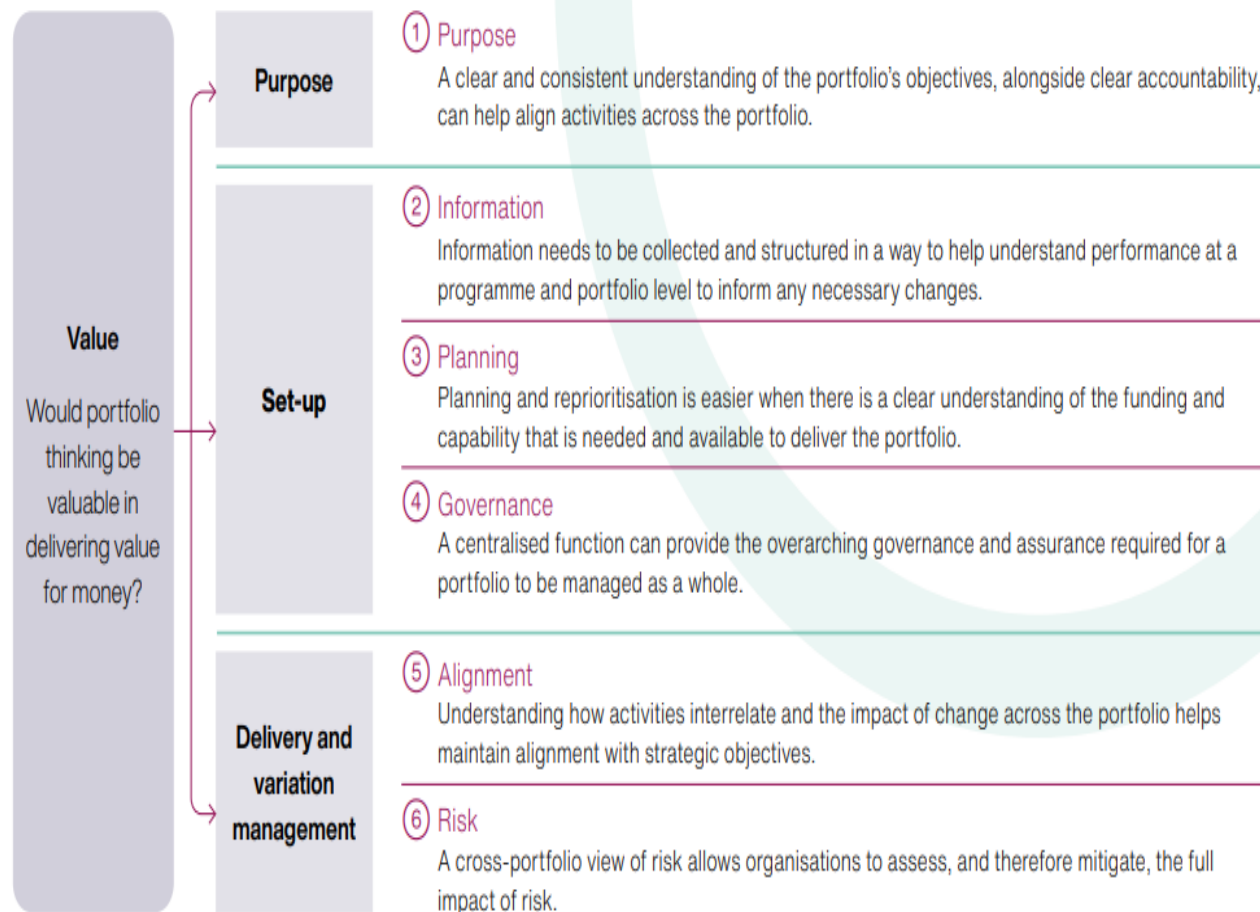


What we've found....

You need to take an holistic approach to portfolio management, and its as much about mindset as process. And then zone in on specific areas



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Applying our insights... Purpose

A clear and consistent understanding of the portfolio's objectives, alongside defined accountabilities, ensures activities are aligned across the portfolio

- Is there a shared understanding of the portfolio's strategic objectives?
- Do objectives align across the organisation?
- Do people have the levers to **realign, stop or reprioritise** the portfolio?
- Are the portfolio's objectives and their alignment **regularly reviewed and updated**?



Digital Transformation in the NHS

“Support frontline staff, patients and citizens in taking better advantage of the digital opportunity”.

Multiple iterations of strategy made it difficult to assess progress and major target of a “paperless NHS by 2018” missed

Clearer objectives and consistent monitoring throughout the portfolio would have allowed better oversight and earlier problem identification and reduced the risk of problems caused by changes to scope

Applying our insights... Setup

Information needs to be collected and structured to help understand performance at a programme and portfolio level to inform any necessary changes.

- Is there **clear, consistent and timely information** to understand performance and support strategic decisions across the portfolio?
- Does the portfolio identify and assess **poor performance** in its component parts and across the portfolio as a whole?
- Are there **early warning indicators** of slippage/over and under spend robust governance and oversight?
- Does the organisation conduct **scenario planning** to identify uncertainties, assess impacts and test risk mitigations?



In 2021 we [reported on government's early progress with implementing net zero](#), and the risks it would need to manage to achieve net zero effectively.

The Department for Business, Energy and Industrial Strategy (BEIS) recognised it needed to do more to monitor progress towards net zero, but neither BEIS nor HM Treasury was collating information on the total costs and benefits of government policies that contributed to net zero

Applying our insights... Setup

Planning and reprioritisation is easier when there is a clear understanding of the funding, capacity and capability that is needed and available to deliver the portfolio.

- Does the organisation have the **capacity to deliver** the scale of change required?
- Are **the whole life costs** of delivering the portfolio estimated and managed?
- Are the **skills** needed to deliver the portfolio clear and understood?
- Is there sufficient **flexibility to allow resources to move** across the portfolio as needed?
- Are there effective **levers to control costs** across the portfolio?



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Applying our insights... Setup

A centralised function can provide the overarching governance and assurance required for a portfolio to be managed as a whole

- Is there a portfolio **office that coordinates and communicates** across the portfolio?
- Are there **governance and assurance** arrangements in place for the portfolio as a whole?
- Is there a **portfolio plan** in place bringing together critical, outputs, milestones, timescales, (inter) dependencies, benefits and risks?
- If a portfolio spans **across organisations**, are roles and responsibilities clear?

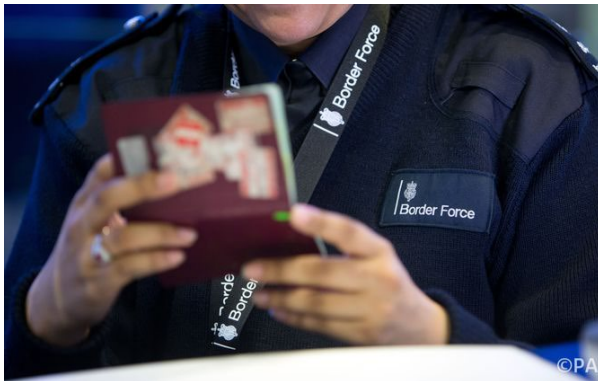


In 2020 we drew together learning from [our work across EU Exit preparations](#) and found that despite the former Department for Exiting the European Union (DEXEU)'s role to coordinate cross-government work, when departments looked for information, or for decisions to be made which required cross-government input, they did not know where to go.

Applying our insights: Delivery & variation management

A centralised function can provide the overarching governance and assurance required for a portfolio to be managed as a whole

- Is there an effective strategy in place to **manage interdependencies** between different policies, teams and organisations?
- Is it clear who owns and is **accountable for managing interfaces** across the portfolio?
- Are the **implications of decisions** considered across the portfolio?
- Have **synergies and opportunities been identified and exploited** across aspects of the portfolio to maximize its value?



When we looked at the Home Office's [Digital services at the Border \(DSAB\)](#) programme in 2020 we found that while the DSAB programme had started to bring together the various individual technical elements required, it still needed to deliver the necessary integrity, resilience and performance of the overall end-to-end system across the portfolio of interdependent programmes that made up DSAB

Applying our insights: Delivery & variation management

A cross-portfolio view of risk allows organisations to assess the impact of risk across the portfolio as a whole

- Is there a view of the **total level of portfolio risk** (differing from the sum of individual risks)?
- Has this been **assessed against the overarching risk appetite** of the portfolio and the organisations involved?
- Is **aggregate risk** across the portfolio monitored and managed?
- Are the risk across the portfolio being managed consistently and in line with **programme management good practice**?



In 2015 we looked at the Department of Work and Pensions (DWP)'s approach to managing its portfolio of [Welfare Reform](#) programmes. We found that DWP had relied too heavily on reacting to problems across the portfolio and had not always been able to anticipate likely points of failure or set up leading indicators for performance and progress