



National Audit Office

Maximising the value of government programmes: Insights from the NAO

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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



What does the NAO look for?

Value for money comprises the optimal use of resources to **achieve the intended outcomes.**

FiReControl project (2015)

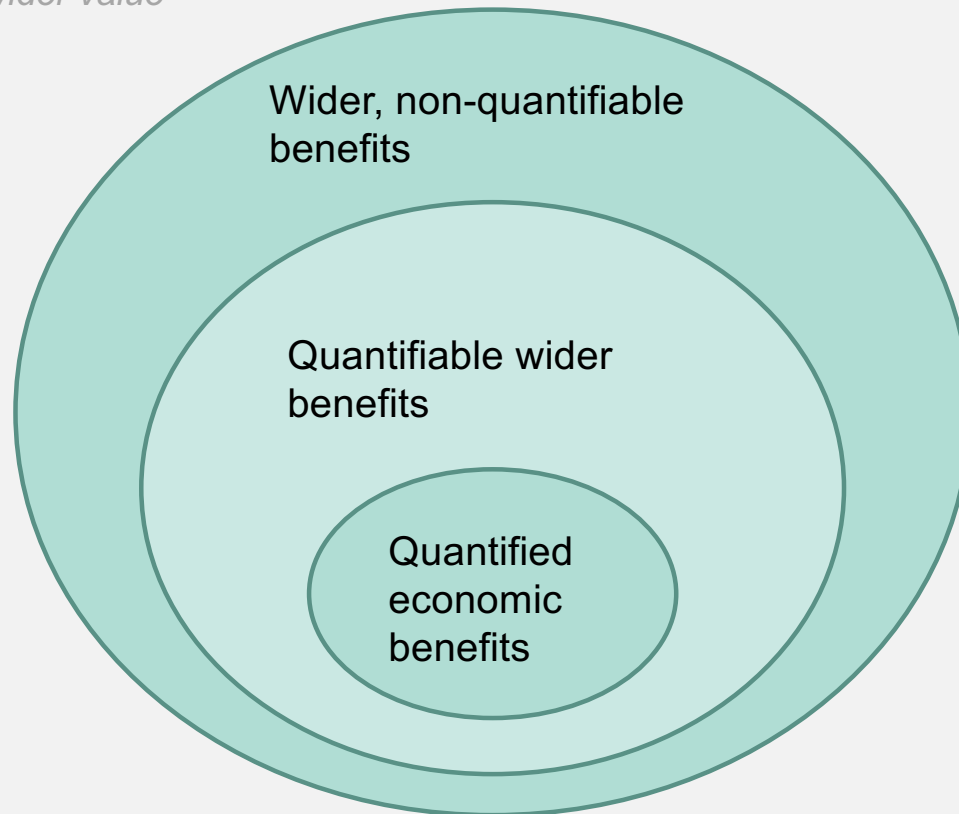
*“This is an example of bad value for money....**through its failure to provide any enhancement to the capacity of the control centres of Fire and Rescue Services***

Police uplift programme (2022)

“In narrow terms the Police Uplift Programme is on course to achieve value for money. But ultimately, the benefits the additional officers are intended to bring will only be seen in the longer term.

What do we mean by value ?

Wider value



Project success should be measured not only by the delivery of outputs to time, cost and quality but also the positive, measurable improvements they have delivered for stakeholders.

What we have seen – our insights

Electronic monitoring

Extract from report Figure..

Planned benefit	Baseline data	Status at programme closure
Remaining benefits:		
Additional offenders appropriately diverted from custody or re-integrated post-custody	HMPPS assumed that 15% of tagging caseloads on bail or community sentences would otherwise have been remanded or sentenced to custody, and 15% of offenders released from prison would otherwise be in custody	<ul style="list-style-type: none"> HMPPS has not retained records for its business case assumptions HMPPS does not have sufficient caseload volumes to form reliable control groups to isolate the impact of tagging from other factors which affect sentencing decisions. Recent increases in caseloads are mainly attributable to court closures and backlogs from the COVID-19 pandemic HMPPS has not undertaken surveys as planned. It has collated anecdotal case studies to raise stakeholders' awareness of tagging and gathered feedback
Modifications of offenders' behaviour to reduce reoffending	No baseline data	<ul style="list-style-type: none"> HMPPS has not undertaken surveys as planned but has gathered feedback from stakeholders



Our insights

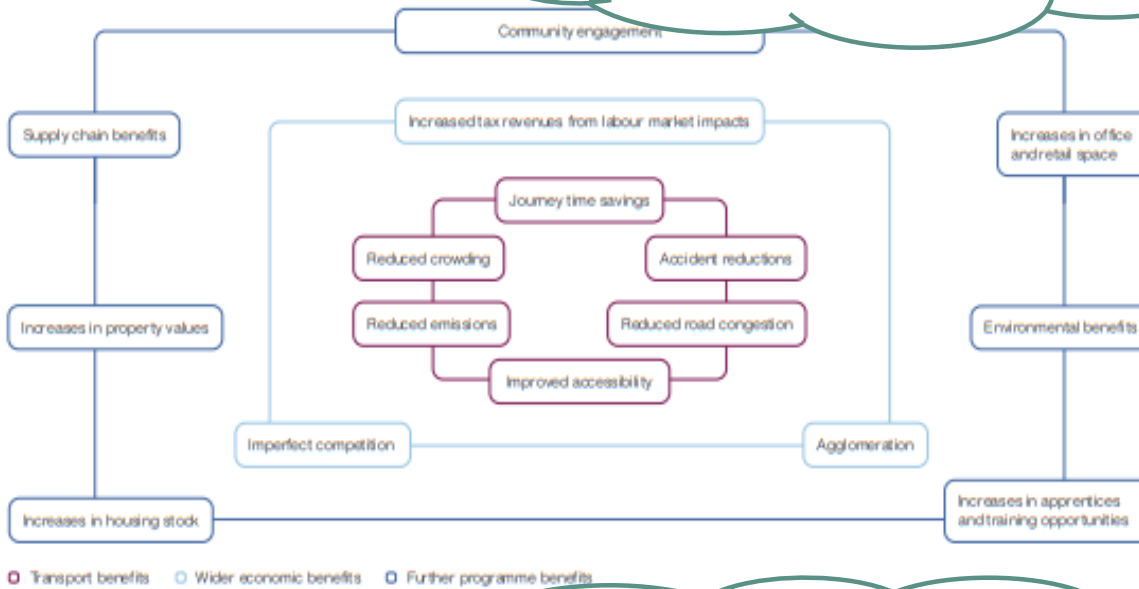
- Benefits need to be systematically tracked from a clear baseline, with clear performance reporting
- Decisions (and events) throughout a programme impact expected benefits

"Its lack of focus on monitoring benefits and continued poor evidence base means that – more than 10 years into the programme – Parliament still does not have a clear view on what it has achieved."

What have we seen – our insights

Crossrail

“Changes in people’s travel patterns may affect the expected transport benefits of the Elizabeth line.”



Our insights

- Benefits, outcomes, value may change
- Continually maximise value of investment
- Think about outcomes early to clarify roles and responsibilities and who needs to be involved.

“TfL and the Department need to consider what is required to maximise the return on the almost £19 billion cost of constructing the Elizabeth line”

What have we seen – our insights

Affordable Homes Programme

“provides economic benefits but it does not expect the programme to fully deliver on its targets. Even if the targets are met, the way the programme is designed means homes may not be built where they are needed most.”

“could be more ambitious in how the Programme supports wider government objectives”



Our insights

- A positive benefit cost ratio does not necessarily mean success
- Alignment with wider government outcomes, such as net zero and levelling-up, will need to be considered alongside programme objectives
- Need to manage trade-offs, guided by policy aims

What have we seen – our insights

Holocaust Memorial and Learning Centre

The Department has not set out any plans for post-programme evaluation, such as expected timings, management arrangements or budget requirements

“The decision to develop a memorial to the Holocaust was a cross-government one, based on its inherent value to society, rather than its financial value.”



Our insights

- HM Treasury requires consideration of wider operational and social benefits
- Importance of getting metric right, evaluation and following-up

1) Clear line of sight across objectives, benefits and wider government goals

Programmes need to be clear on the change envisaged...



“government has brought together commitments and aspirations but does yet provide a clear and coherent set of objectives”

....which needs to be translated into programme objectives and benefits...



“set out five objectives for the Programme, but it has not quantified the level of performance it is aiming to achieve.”

...and aligned with governments wider aims.

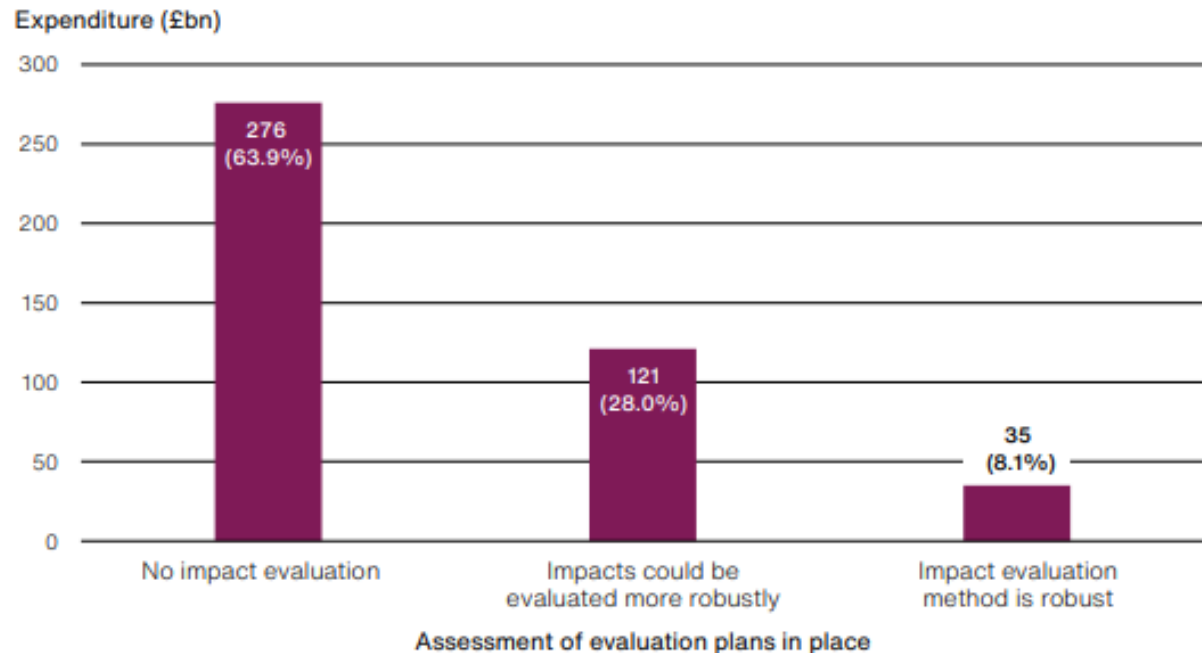
Strong benefits (outcome) plans that cover ‘wider’ benefits are key

- a **baseline against** which benefits can be measured over time;
- how the benefits being measured **relate to the objectives in the business case**, updating for newly identified benefits as well as disbenefits;
- a benefits realisation and evaluation plan;
- what other **activities are required to capitalise on the opportunities** presented by the programme and the risks that may affect the sponsor’s ability to realise benefits;
- who is **responsible for delivering which benefits**, the levers available to sponsors and governance arrangements, as well as the information it will need to evaluate benefits;
- a **risk management strategy** that assesses the risks of not achieving key benefits and sets out potential mitigating actions; and
- how **benefits should also be revisited and retested at key stages** of the programme, particularly where a programme takes a long time to deliver, or where assumptions change.

Monitoring and evaluation are key to understanding programme success

- Requires good data and management information
- As benefits are often realised later plans should include what will be done to measure what has actually been delivered
- Understanding achievements is important for learning what works. Evaluation is important.

In 2019, the Prime Minister's Implementation Unit's assessment found that only 8% of £432 billion planned expenditure on the Government Major Projects Portfolio had plans for a sufficiently robust impact evaluation



Clear accountability for delivering change, benefits and maximising value

NAO lessons learnt

Government often expects major programmes to deliver wider social and economic benefits but does not make any organisation responsible for delivering these.

We recommended having plans setting out how these wider benefits will be achieved and who responsible, particularly when benefits depend on others. Here, there should be a strategy for influencing them, and considerations around extra funding.

- With SROs moving off programmes there is a risk accountability will be diluted
- Programmes increasingly cross-cutting
- And long-term!

'Maximising value' means having...

- Clear line of sight from strategic objectives to benefits, outcomes and governments wider goals
- Monitoring and evaluation are key to understanding a programme's success
- Strong benefits (outcome) management processes that cover 'wider' benefits
- Clear accountability for delivering change, benefits and maximising value



National Audit Office

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