

# Lessons learned: Delivering value from government investment in major programmes

## Evidence submitted by the Association for Project Management

The Association for Project Management (APM) is the Chartered body for the project management profession, with over 40,000 individual members and around 400 corporate partners. We aim for a world in which all projects succeed because, when they do, society benefits.

We were pleased our members were able to support the original National Audit Office (NAO) report into delivering value from government investment in major programmes through a roundtable discussion with APM members with expertise in delivering value.

We're submitting evidence because the approach to benefits realisation is something that needs addressing. Too often people focus only on the financial return, not the societal and environmental. We're pleased to see this is being investigated.

To start with, the approach to project value has to take a more long-term approach than it currently does. In their recent book *Gorilla in the Cockpit*, Vip Vyas and Dr Thomas D. Zweifel highlight the value of long-term thinking with a table of projects that were seen to be failures at their time of opening<sup>1</sup>. There are very few on that list that we would still consider a failure now and a select few are included below:

Project	Cost overrun
Suez Canal, Egypt	1,900%
Scottish Parliament Building, UK	1,600%
Sydney Opera House, Australia	1,400%
Excalibur Smart Projectile, USA/Sweden	650%
NHS IT System, UK	550%
Bank of Norway HQ, Norway	440%
Humber Bridge, UK	180%
Dublin Port Tunnel, Ireland	160%
Channel Tunnel, UK/France	80%
High-speed Rail Line South, Netherlands	60%

Source: *Gorilla in the Cockpit*

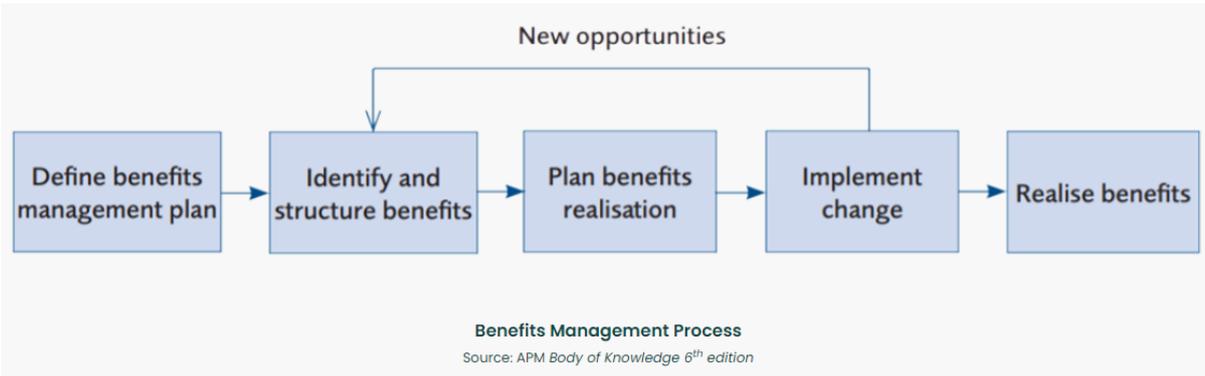
We recommend a reassessment of the length of time to which we assign and derive project value. We know from the 2021 Ever Given Suez Canal incident that an estimated \$10 billion in trade revenue was lost each day<sup>2</sup> indicating that the benefits of the canal are now firmly higher than the original cost overrun. But that is just financial benefit. The cultural benefit of the Sydney Opera House has dwarfed the financial overrun of that project. The building has become synonymous with Australia – a part of its identity. We can draw parallels here with the cost overrun on Parliament's Elizabeth Tower project. Financially it cost more than was expected, but the less quantifiable cultural and societal benefits of the tower to the UK's image can be seen every day as tourists flock to take photos of it.

To capture that long term value, APM's Body of Knowledge recommended the following process<sup>3</sup>.

<sup>1</sup> Vyas, V & Zweifel, T, 2023. *Gorilla in the Cockpit*.

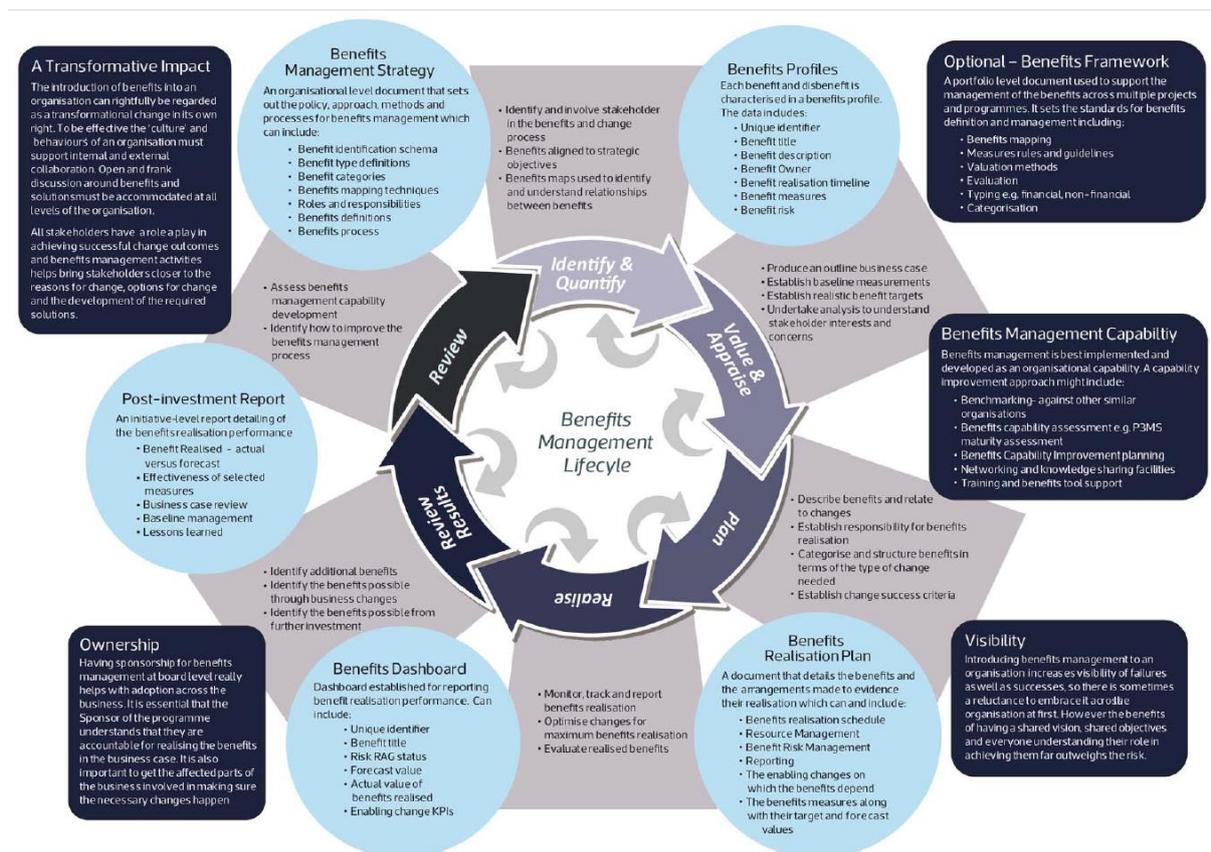
<sup>2</sup> Financial Times, 2021. [Ever Given owners reach deal with Egypt over Suez Canal blockage](#).

<sup>3</sup> Association for Project Management, 2012. *Body of Knowledge*, 6th edition.



The process recommends benefits and benefit management be considered from the start, which is not always the case at the moment. And crucially, while planning for benefit realisation we should be aware that benefits can change, or develop differently to first imagined, so we need to adapt to new opportunities to continue to realise benefits.

The practitioner's guide to benefits management, written by the APM Benefits and Value Specific Interest Group, offers a framework from which organisations can track and realise the full benefits of their programmes<sup>4</sup> (a full, downloadable copy is available at <https://www.apm.org.uk/v2/media/timmr1n/benefitsdiagram-01.pdf>).



Neil White, former Chair of the APM Benefits and Values SIG, and Dr Rebecca Casey, Newcastle University, outlined five tips for successful benefits management<sup>5</sup>.

<sup>4</sup> Association for Project Management, 2017. [A practitioner's guide to benefits management](#).

<sup>5</sup> *ibid*.

1. Stakeholders affected by the change should feel connected with the project and, where possible, be engaged in two-way communication with the team.
2. Ensure that measures used for benefits progress are, where possible, already used for measuring day-to-day performance of the business.
3. Build your benefits map right to left. Start with the problem you are trying to solve (or objective you are trying to achieve). Then ask what benefits would be realised if the problem was solved or objective achieved. Then ask what work would be required to bring about those benefits.
4. Use a dual dimension approach, whereby benefits are classified first by type, e.g. financial, cashable, and then by category, e.g. quality, efficiency, innovation.
5. Establish a benefits management forum within the organisation or with partner organisations. Meeting delivery and change management colleagues on a regular basis to discuss ideas and disseminate lessons learned really helps individuals to learn and grow.

Can that be implemented in the civil service? Lord Maude's *Independent Review of Governance and Accountability in the Civil Service* touched upon quite a few of the major problems that impact on project delivery in Government departments.<sup>6</sup> There isn't time to cover them all in this response, but we'd welcome consideration of his recommendation for a specific review into the governance of, and accountability for, the implementation of cross-departmental programmes, which would help us to learn lessons from previous projects.

On lessons learned, we know these activities are carried out after the completion of most major projects. This is backed up by scrutiny and recommendations from the NAO and the Public Accounts Committee itself. But more can be done to strengthen these recommendations. How are departments using them, if at all, and how do we ensure lessons are indeed learned?

What is needed is 'transparent accountability' within Government departments. By this we mean accountability for the business case, accountability for project delivery and accountability for benefits realisation. The last point is relevant to this consultation – who will be the librarian or recorder of all the benefits and disbenefits for as long as the project lasts? And does anyone currently do this?

APM and leading academics have suggested a Chief Project Officer in each Government department who is wholly accountable for project delivery in their department. But we could potentially go further still on this, given the obvious blurred lines of accountability between development, delivery, and benefits highlighted above.

Given the recommendations by Lord Maude, and mindful of the point about accountability above, there could be chief project officers at every stage of the project – one at the project shaping and proposing stage (i.e. pre sanction); one for project delivery, and one post-delivery to chart the ongoing benefits realisation of the project (which will be realised for years beyond completion).

Accountability and transparency will also require strong leadership at every stage of the programme. Karlene Agard et al. recently looked at expected and unexpected benefits, using the A14 resurfacing as a case study<sup>7</sup>. They found that "unexpected value is behaviourally driven, i.e., unexpected value was found in project employees feeling a sense of belonging, satisfaction and the recognition of being valuable." This made it much more likely that lessons learned would be applied on future projects and was found to be a virtuous cycle – "leadership fosters a climate for effective teamwork, which leads to solving problems effectively. This strengthened the team cohesion, further improving teamwork."

As well as strong leaders, project teams need the correct organisational, professional, and socio-economic conditions in place to enhance project outcomes and value. APM's dynamic conditions for

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<sup>6</sup> Lord Maude of Horsham, 2023. [Independent Review of Governance and Accountability in the Civil Service](#).

<sup>7</sup> Agard, K., Locatelli, G & Budzier, A., 2023. Unexpected and Expected Value Within and From Projects and the Evolution of Value.

project success<sup>8</sup> are interpersonal skills, training and qualifications; team ethos; technology and data; contracts; knowledge management; agility; sustainability and diversity. Project teams need to consider these conditions strategically at the formulation stage of teams, project plans and operations. A project professional's ability to tailor their leadership style to the context positively influences the individual performance of team members, and those with managerial capabilities are more likely to succeed if selected for leadership roles than those with technical expertise<sup>9</sup>.

The project community, of course, already has access to good leadership through the Infrastructure and Projects Authority (IPA). We were concerned to see Spring Budget 2024 documents<sup>10</sup> suggesting that Cabinet Office resource departmental expenditure limits will reduce from £0.9bn in 23/24 to £0.2bn in 24/25 and seek assurances that this reduction will not impact on the IPA's ability to do their job, including building a culture that allows us to deliver value at all stages of a project.

To finish, we must return to the earlier point that interpretations of project success or failure change over time. The Elizabeth line was considered a "fiasco" by some when it was first opened; it recently topped 300m journeys since opening, or 770,000 per day<sup>11</sup>. That journey from "fiasco" to commuter necessity suggests our approach to value needs addressing – we welcome the Committee's focus on redefining how we deliver value in major projects.

The 2023 GMPP report comprised 244 projects with a total whole life cost of £805bn and £758bn of monetised benefits<sup>12</sup>. That's just *monetised* benefits – the total financial, societal, and environmental benefit to the whole UK will be much greater.

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<sup>8</sup> Association for Project Management commissioned research, Eggleton, D. et al., 2021. [Dynamic Conditions for Project Success](#).

<sup>9</sup> Kenda, R., Meslec, N., & Oerlemans, L., 2024. [Single versus multiple project teams and individual performance: Do they ask for different leadership behaviors?](#)

<sup>10</sup> HM Treasury, 2024. [Spring Budget 2024](#).

<sup>11</sup> Evening Standard, 2024. [Elizabeth line's 'staggering achievement' with 300m journeys made since opening](#).

<sup>12</sup> Infrastructure and Projects Authority, 2023. [Annual Report on Major Projects 2022-23](#).