



Report to: Finance Group
Agenda item: 6
Date: 17 October 2012
Subject: WAN Lessons Learned Report
Sponsor: Interim Director of Corporate Resources
For: Information

1. PURPOSE OF PAPER

- 1.1 The BTPA Finance Group requested a WAN project Lessons Learned report at the meeting on the 26 July 2012.
- 1.2 The Portfolio Management Office (PMO) carried out the review between August and September 2012. The PMO reviewer carried out interviews with internal and external stakeholders and reviewed the available project documentation.
- 1.3 The report provides a review of how successful the Wide Area Network (WAN) project has been. Its purpose is to identify the lessons learned during the review and to present an accompanying action plan.
- 1.4 The draft report was presented to SCT on the 25 September 2012 for review.

2. BACKGROUND

- 2.1 The project areas that have been reviewed are:
 - Delivery
 - Financial management (with reference to the Tribal report issued in May 2012; *'Investigation review of the financial control and monitoring of the wide area network (WAN) project'*)
 - Governance
 - Role and Responsibilities
 - Stakeholder engagement



- 2.2. An accompanying action plan has been prepared, highlighting issues, the recommended future approach, timetable for implementation and responsible owner.
- 2.3. An update on the role and responsibilities of PMO highlights achievements to date and summarises futures steps needed to apply the lessons learned from the WAN project within BTP.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the report.



British
Transport
Police

Wide Area Network (WAN) Project Lessons Learned Report

Wide Area Network (WAN) Project LESSONS LEARNED REPORT

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Approved By	Job Title	Signature	Date Approved

Revision History

Version	Date	Comments
1.0		First draft of report
2.0	20/9/2012	Second draft of report submitted to SCT
3.0	08/10/12	Amended following SCT meeting (25/9/2012)



Wide Area Network (WAN) Project Lessons Learned Report

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Wide Area Network (WAN) Project Lessons Learned Report

1 PURPOSE OF DOCUMENT

1.1 Purpose of Lessons Learned Report

The report provides a review of how successful the Wide Area Network (WAN) project has been. Its purpose is to identify the lessons learned during the review and to present an accompanying action plan.

The report complies with the expectations of the BTPA Corporate Governance Code (section 3.7.2), which states *“The Chief Constable, in consultation with the Chief Executive, shall monitor capital and major revenue schemes and shall submit to the BTPA...a post-completion assessment report for all schemes costing over £1million including replacement schemes”*.

1.2 Scope and Method

The Portfolio Management Office (PMO) carried out the review during August and September 2012. The PMO reviewer carried out interviews with internal and external stakeholders and reviewed the available project documentation, please refer to Appendix A for further information

2 BACKGROUND

The BTPA Finance Group requested a WAN project Lessons Learned report at the meeting on the 26 July 2012.

The Wide Area Network (WAN) project was initiated in order to deliver a new data and telephony system for BTP. Subsequent progress on the delivery of the WAN project has been subject to slippage and incurred additional costs. These issues have been reviewed by BTPA and BTP. BTP has carried out a detailed reconciliation of the financial aspects of the project, which was most recently presented at the BTPA Finance Group Meeting, 26 July 2012.

There is work required to fully connect the remaining six BTP sites to the WAN, which is being closely managed under the direction of the ACC CR. IT&BS reasonably expect the remaining P2 sites to be fully connected by the end of September and the remaining P3 sites by the end of November.

The WAN project has provided a modernized and more robust communications platform for BTP with significant improvement on the former Global Crossing service. To recap, the new solution offers:

- A more resilient service (dual independent links to larger sites – essential to guard against road digger events)
- Bigger links to all sites to provide the bandwidth needed for modern systems
- A more flexible solution (links can be easily increased in bandwidth, and also we can close sites without financial penalties, to an agreed limit).



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3 SUMMARY

The complexity and size of this project made it unique in BTP. Challenging factors including its national scale, security requirements and a large estate of sites spread across a demanding operating environment, were compounded by the fact it was the first time BTP had changed its WAN provider. Consequently, the project had a high degree of inherent risk which required strong project management skills, good teamwork and a robust governance framework to enable its delivery.

3.1 Delivery

3.1.1 Key issues

BT produced a project plan as part of the best and final offer documentation, which was accepted by BTP as the basis for delivery when the project went live. BT's contract contained caveats that protected it from liability if there were delays on sites that were beyond its direct control (as did the other tenderers), e.g. landlord permissions to access premises, council permissions to dig up roads and car parks etc. These risks were anticipated and included in the business case, and a financial provision for potential cost overruns was made. However, BTP failed to adequately quantify the risks, both in terms of the time and cost caused by these potential delays in implementation. This meant that BTP did not quantify or forecast sufficient time or financial contingency levels for the project. The issues that caused delays in implementation were:

Issue	BTP response
Delays associated with BT and Openreach ordering processes resulted in a five month delay.	Negotiation with BT has yielded Liquidated Damages amounting to £97k.
Excess construction required for resiliency and separacy of routes into P2 sites has been delayed due to way leave issues.	Temporary interim arrangements have been made at the three remaining P2 sites to allow termination of the Global Crossing contract. Progress on all remaining P2 and P3 sites (six in total) is closely supervised by the ACC CR.
Legacy telecoms copper at P3 sites and other site specific issues have complicated implementation.	Progress on all remaining P2 and P3 sites (six in total) is closely supervised by the ACC CR.

The BT delays were formally reported in an exception report in August 2011. BTP did not accept the slippage proposed by BT, which led to a compressed BT delivery schedule of two and half months. The revised plan placed additional pressures on BTP internal resources and as a result an additional supplier (Avente) was bought on board to support BTP on the remaining P3 sites. Ultimately, even with the additional Avente support, BTP could not keep up with BT's revised plan and five months slippage was realised.



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3.1.2 Lessons Learned

The scale and complexity of the project meant there was a high degree of risk inherent in its delivery from the outset, which should have been better managed and better quantified by BTP. The delays to the implementation of the new WAN service generated significant additional costs, which were principally incurred by the extended use of GC. The PMO will develop a methodology with clearly defined criteria for assessing the inherent risk in a project to be used during the project definition stage. This will inform the analysis required to calculate the likely impact of slippage on a project's overall timescale and cost and form the basis of the contingency reserve. PMO will support Project Sponsors and Project Managers during the project definition stage by assisting with internal resource planning and analysing the impact of potential scenarios (best, worst, most likely) on project costs and timescales. In order to do this PMO has developed:

- An internal resource calculator to complement the revised business case template, which requires the Project Sponsor to explain the project implantation approach;
- A resource demand forecasting tool which will be piloted with IS&BS;
- A revised business case template including a section on 'Impact and Achievability' and 'Internal Costs' to capture the impact of the project across BTP's departments.

Additionally, when a project with force-wide impact goes into exception, the PMO will work with the Project Manager to carry out an impact assessment and produce an exception plan with the aim of supporting the transparent and effective resolution of major delivery issues.

BTP must ensure sufficient time is allowed for the future WAN (and other major contracts) re-tendering exercise and that it is fully integrated within the organisation's IT strategy.. To support this process in IS&BS, the IT Information gathered on BTP sites during the project will be collated into a definitive log (noting that this will be subject to estate churn over the lifetime of the BT WAN contract) to aid in the future re-tendering exercise for the WAN, or any other major infrastructure project.

3.2 Financial Management – Summary of Tribal Findings & Recommendations¹

3.2.1 Key Issues

Many of the findings of this review are in line with the Tribal Review published in May 2012. To present a complete audit and action plan, the findings and recommendations of the Tribal review have been summarised here, with the following exceptions:

- The extent of the overspend
- Whether additional Cabinet Office approval was required
- Compliance with Financial Regulations

“Assessment of reasons for overspend: In November 2010 a report was presented to the BTPA to obtain approval to proceed with the WAN project. Unfortunately neither this report,

¹ 'Investigation Review of the financial control and monitoring of the Wide Area Network (WAN) project'. Tribal. Report issued May 2012. In this section, *italicised text* is directly quoted from Tribal with square brackets [] used to denote author insertion and '...' used to denote omitted text



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nor the capital or revenue budgets, had made provision for costs which had not been quantified at this stage, but which were clearly going to be incurred. In addition other costs are forecast for changes which have arisen subsequent to the November 2012 report.”

“Costs additional to the British Telecom tender and ‘business as usual’

- *Global Crossing transition costs*
- *Excess Construction Costs*
- *Contract changes – all Change Requests*
- *Project Management... Analysis Mason*
- *Project costs...Avente ... [and other] ICT staff...”*

“Assessment of financial control arrangements: *The overall financial contract monitoring is strong and there are arrangements in place to provide transparency and compliance with the Force’s procurement arrangements, though these have been largely operated at arms-length from the Finance team. The weakness in these arrangements was that Analysys Mason do not appear to have been provided with a detailed briefing on the internal accounting requirements within BTP and in particular the limits in each financial year for both capital and revenue expenditure.”*

“Assessment of failures of the control and compliance arrangements: *...the scale of the project does not appear to have been recognised and this is evidenced by the fact that it was not even set up as a separate cost centre. Our findings indicate that the external project consultant was not made aware of the Financial Regulations, the actual budget, or the arrangements to incur additional costs. Furthermore there appears to have been no direct contact between the project consultant and Finance, subsequent to the departure of the Finance (Interim) Consultant. We would have expected the overall designated project manager within BTP to have taken a more commanding management oversight of the financial aspects of this project. Once it was evident that there was going to be slippage in the completion of the project we would have also expected to see evidence that there to have been regular fully costed schedules setting out the implications and sensitivities on the overall project cost being provided to the project manager’s line manager and also the Programme Board . Whilst we have not reviewed the financial information produced during the first two months of 2012 we understand that fully costed schedules have not been provided to senior management, notwithstanding the fact that this information was available from the external project manager.”*

3.2.2 Other findings and lessons learned

In addition to the Tribal summary above it is worth highlighting that when slippage occurred there was insufficient analysis of the financial impact it would have, particularly on the business as usual GC costs. This issue was not identified through the project reporting processes or identified by Finance (Purchase Orders were not raised for all specific items of expenditure) until October 2011.

BTP had set aside an amount to cover the transition costs incurred by the need to run the GC and BT services in parallel for a period. The project also forecast to deliver significant savings but the length of the project slippage meant BTP incurred an additional year of GC costs, which significantly exceeded the budget that had been identified in the Business



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Case, which included the forecast savings. The project itself spent to budget. This was reported to the BTPA in May 2012²,

Improvements have been made to the consistency of financial reporting to Service Improvement Board, e.g. Finance Department reconciles project spend and forecasts on a monthly basis with Project Managers to produce a definitive report which is provided to PMO for inclusion in the monthly project progress update template. PMO now reviews financial controls as part of its monthly assessment of project governance and has developed draft guidance for Project Managers on setting up project job codes, to support financial tracking and forecasting

3.3 Governance

3.3.1 Key issues

The governance arrangements were defined by BT³: at the outset of the project; they were presented and ran as described below

² BTP Compliance Action Plan, 31 May 2012, BTP

³ BTP Programme Management Plan Vs. 2.0 (prepared by BT)



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Meeting	Frequency	Chaired by	Attendees	Purpose
Programme Board Meeting Steering	Every 2nd Month	BTP Senior Responsible Owner	<u>BTP</u> -SRO -Project Director <u>BT</u> -Client Delivery Director -Programme Manager -Business Manager -Account Manager	<p>A high level coordination meeting, its purpose was to verify objectives would be met.</p> <p><i>“The programme steering board, chaired by the BTP SRO, will meet every second month (bi-monthly) and is accountable for:</i></p> <ul style="list-style-type: none"> <i>• Ensuring the programme objectives remain valid and appropriate, and approving any changes to these</i> <i>• Approving governance arrangements are the programme</i> <i>• Reviewing overall progress and providing teaching direction</i> <i>• Controlling the effective execution of the contract</i> <i>• Analysing the gaps between expectations and reality</i> <i>• Managing escalations and making decisions where BT business objectives for the programme are at risk”</i>
Programme/Project Control Board Meeting (Combined)	Monthly	BT Programme Manager	<u>BTP</u> -Project Director -Project Manager -ATM Communications -ATM Network	<p>A delivery focussed meeting, its purpose was to verify objectives would be met and to deal with escalations.</p> <p><i>“A monthly Programme Control Board will meet to manage escalations and sign-off, including change control and project gate reviews. The programme control board is accountable for:</i></p>



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			<p><u>BT</u></p> <ul style="list-style-type: none"> -Programme Manager -Business Manager -Account Manager -Solutions Architect -Lead Technical Designer -Project Manager 	<ul style="list-style-type: none"> • <i>Defining direction, reviewing progress managing key issues and risks (as escalated) and agreeing actions are necessary to keep the programme on track.</i> • <i>Ensuring consistent communications to the business and, if appropriate to customers and suppliers.</i> • <i>Advising the programme manager on the response to any risks or issues which have been escalated</i> • <i>Approving changes to the programme scope, plans and approach.</i> • <i>Assuming Service Improvement Board responsibilities of Programme Change Control Board</i> <p><i>The Chairmanship will be BT Programme Manager and the production/distribution of minutes and escalations will be managed by BT. In preparation for the meetings all parties will obtain input from their respective projects”.</i></p>
Project Control Meetings	Weekly	BT Project Manager	-Team Managers	A delivery focussed working meeting, its purpose was to monitor delivery and quality.
Work package checkpoint meetings	Weekly	BT Team Manager	-Team Managers -Team Members	A delivery focussed working meeting, its purpose was to monitor delivery and quality.



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Additionally, following the weekly joint meetings with BT, members of the project team in IS&BS met to discuss the project's progress.

There was an overarching steering committee chaired by BTP, but this did not provide suitable oversight of BTP's governance of the project. Despite the scale and complexity of the project BTP failed to establish an internal, accountable project board with oversight of all the key project controls. Service Improvement Board received monthly project updates from the Senior Responsible Owner (SRO), which were supplemented with more detailed progress reports during the implementation phase, suggesting Service Improvement Board took on the role of a surrogate project board. However, Service Improvement Board was constrained in its ability to scrutinise the project as it was not close enough to the detail and it had no direct access to project control documentation.

3.3.2 Lessons Learned

As a force-wide project there should have been a single accountable board, with a board membership sufficiently constituted to take overall responsibility for project governance and management.

Since July 2012 the PMO has been fully resourced and so able to ensure that all BTP force-wide projects have the appropriate governance arrangements in place. Reporting to Service Improvement Board on project controls, including the governance framework, is now based on the PMO's view on the suitability and effectiveness of the controls, and based on an assessment of what has been presented by the Project Manager. Additionally, all financial information reported to Service Improvement Board on force-wide projects now comes from the Finance Department.

3.4 Roles and Responsibilities

3.4.1 Key Issues

The Business Case of October 2010 states that the key roles on the project from BTP's perspective were as follows:

- Senior Responsible Owner (SRO): Paul Day, Head of Information Services for BTP.
- Programme Manager (PM): Adrian Dain (Analysys Mason) assisted by Cliff Cunningham (BTP), with Tony Foster as Contracts Manager.

However, the BT "BTP Programme Management Plan" version 2, October 2010, states that the roles are as follows:

- Senior Responsible Owner (SRO): Paul Day (The SRO owns the overall Programme inside the BTP organisation and will chair the Programme Steering Board. The BTP SRO will have overall ownership of Benefits Realisation for the programme.)



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- Project Director: Cliff Cunningham (The Project Director) The project director is accountable to the programme sponsor, for the successful delivery of the programme in terms of the assurance for the development and operation of the required solutions and capabilities (as required).
- Project Manager: Adrian Dain (Analysis Mason) - The Project Manager provides coordination of all transition and transformation activities within the organisation in close cooperation with the BT Transition Project Manager. Setting up and agreeing regional rollout plans. Specifically:
 - Do all regional data collection and validation requests
 - Engage and educate regional site contacts
 - Plan and co-ordinate all site activities
 - Ensure site plans include all user required testing

Senior Responsible Owner

The SRO role is ultimately accountable for the project and for ensuring that governance arrangements are in place. For force-wide projects, the SRO (or Sponsor) role is normally carried out by a member of the Senior Command Team. At the time the contract was placed there does not seem to have been any formal role for any member of SCT in the project.

Project Manager

The Project Manager is responsible for all aspects of the day to day delivery of the project. However, Analysis Mason's role as described in BT's documentation is only limited to a specific set of tasks that interface with BT. As a result, the aspects of project management that are specific to BTP activity were beyond the remit of Analysis Mason, such as the establishment of a BTP project budget and internal financial processes.

Ultimately, roles and responsibilities were not clear; there was no clear overall SCT ownership and no BTP specific governance structure in place and the project suffered from a lack of leadership and direction.

3.4.2 Lessons Learned

Clarity about roles and responsibilities and ensuring the right people are in the right roles is a key component of successful project governance. The PMO is now providing independent scrutiny of project governance including roles and responsibilities and reporting on this to Service Improvement Board.

BTP must produce its own project documentation or where we rely on documentation from third party suppliers, we must ensure that role and responsibilities are clearly set out and understood. On projects where multiple external suppliers are engaged, BTP must ensure that roles and responsibilities are clearly understood, documented consistently and signed off by a BTP project board.



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3.5 Stakeholder Engagement

3.5.1 Key Issues

There was no stakeholder engagement strategy for the project or indeed even any evidence of a communications plan. The need to engage extra resources to engage with Network Rail and TfL to overcome way-leave issues was identified late in the project and a significant amount of time was lost in trying to identify the appropriate contact points to work with. A joint approach between BTP and BT as to how the project should engage with Network Rail and TfL at the outset could have improved the project's ability to overcome these issues.

3.5.2 Lessons Learned

Engaging with stakeholders and managing communications effectively is critical to fostering positive internal and external working relationships. As a minimum all existing and new force-wide projects will be required to implement a communication plan, which will form part of the project controls reviewed on a monthly basis by PMO.



4 LESSONS LEARNED ACTION PLAN

4.1 Delivery

Issue	Recommended approach	Timetable	Responsible owner
<p>Numerous reports were presented to the BTPA to seek approval to proceed and each made reference to unquantified costs that would be incurred for additional resources required to deliver the project and to allow for any costs associated with changes required as a result of due diligence. Risks to delivery included slippage and the financial consequences of slippage, yet no provision was made for additional costs over and above the BT contract.</p>	<p>PMO to develop a methodology for assessing the inherent risk in a project with clearly defined criteria.</p> <ul style="list-style-type: none"> • Research risk methodologies; • Incorporate project scale (time and cost), complexity and degree of innovation into thinking; • Develop a scoring mechanism which enables the estimation of time and cost contingencies; • Present the proposal to Service Improvement Board ; • Incorporate the methodology into BTP's project definition process; • Engage with Learning and Development to identify BTP training needs; • Offer training and/or one to one coaching for project managers; • Communicate the benefits of the methodology across BTP; • Evaluate the impact of the methodology and consult with stakeholders on changes; • Changes and next review date agreed by Service Improvement Board. 	<p>December Service Improvement Board</p>	<p>PMO</p>



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<p>The procurement process was started too late to enable the Global Crossing service to be replaced in time before the contract expired.</p>	<p>Procurement manage the Bluelight Contract Database contains information on all BTP contracts, irrespective of value and includes start dates, end dates and review dates. It also contains summarised contract information.</p> <p>Procurement are responsible for ensuring:</p> <ul style="list-style-type: none">• The contracts on the database are allocated to the appropriate department and departmental lead;• The contract review dates are sent to the departmental lead/Budget Holder to remind them of future re-tender activity;• The (re) tender plan is part of the Procurement Strategy and can be tailored to meet the needs of the contract;• Significant future tender activity is reported to Compstat. <p>In accordance with the CC Budget Delegation letter and the Invitation, Receipt, Evaluation and Award procedure, it is the responsibility of the Budget Holder to:</p> <ul style="list-style-type: none">• Familiarise themselves with the start and end dates of contracts;• Proactively manage their contracts and future tender activity;• Draft the Scope/Specification/Service Level Agreement for the tender.	<p>Addressed</p>	<p>Procurement and Budget Holders</p>
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	<p>Corporate Resources will review the current system and process for managing all contracts with particular focus on those over an agreed threshold (e.g. EU Threshold):</p> <p>A recommended approach could be to:</p> <ul style="list-style-type: none"> • Recommend an appropriate threshold based on research into good practice and an analysis of BTP's current contractual obligations; • Create and maintain a single contract schedule with details of relevant contract expiry dates and summarised contract information; • Develop a template re-tendering plan which identifies the department responsible for implementation of the product or service; • Identify the accountable departmental lead; • Communicate the existence of the contract schedule and draft re-tendering plan to all relevant stakeholders; • Include a contract schedule status update as part of the monthly reports provided at Corporate Delivery Board. <p>When a project a re-tendering exercise starts, procurement could:</p> <ul style="list-style-type: none"> • Alert the accountable department lead to set up a working group to identify and manage risks and issues; • Tailor the re-tendering plan to meet the needs of the project; 		
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<p>The BTP estate is a complex operating environment with numerous site specific issues that had to be understood and resolved during this process for the first time.</p>	<p>IT Information gathered on BTP sites during the project should be collated into a definitive log (noting that this will be subject to estate churn over the lifetime of the BT WAN contract) to aid in the future re-tendering exercise for the WAN or any other major infrastructure project. The Head of IS&BS will:</p> <ul style="list-style-type: none"> • Be accountable for the production and regular maintenance of the IS&BS BTP site log; • Work with BT, Open Reach, Avente and Analysis Mason to collate internal and external records into the single log; • Present the log to Technology Board for sign off; • Work with the Head of Estates to put in place a process to ensure the log is kept up to date. 		IS&BS
<p>Despite re-planning the implementation schedule to include the slippage raised in August 2011 the project failed to meet its original completion date, incurring extra costs in running the GC network for a longer period than expected.</p> <p>The delays caused by way-leave issues and BT's internal processes resulted in an overall impact to the implementation phase, which were not mitigated by BTP's decision to refute BT change request in August 2011</p>	<p>When a project with force-wide impact goes into exception, the PMO will work with the Project Manager to carry out an impact assessment and produce an exception plan.</p> <p>The Project Manager will:</p> <ul style="list-style-type: none"> • Be responsible for the development, review and maintenance of the exception plan; • Report on progress at regular project board meetings; • Provide progress updates on a monthly basis to Service Improvement Board . <p>The PMO will:</p> <ul style="list-style-type: none"> • Review exception management best practice; • Analyse the force-wide portfolio and define suitable 	Addressed	PMO



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	<p>exception management parameters;</p> <ul style="list-style-type: none">• Prepare guidelines for exception reporting;• Develop an impact assessment and exception plan method;• Engage with stakeholders, including Project Sponsors and Project Managers;• Present the guidelines and supporting templates to Service Improvement Board for approval;• Circulate the guidelines and offer support to Project Managers to assist with implementation; <p>When a project goes into exception the Project Manager will:</p> <ul style="list-style-type: none">• Contact the PMO;• Formally report the exception to the project board and Service Improvement Board ;• Be responsible for the production and implementation of the impact assessment and exception plan; <p>When a project goes into exception the PMO will:</p> <ul style="list-style-type: none">• Provide the Project Manager with one to one guidance in tailoring the impact assessment and exception plan to meet the needs of the project;• Analyse the effectiveness of the impact assessment and exception plan as part of the End of Project Review;		
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4.2 Financial Management

Issue	Recommended approach	Timetable	Responsible owner
The Finance department was not made aware of the additional GC financial commitments incurred in this project until October 2011.	<p>The Tribal report sets out weaknesses that were identified in the financial and budget management of the project. Please refer to the Tribal action plan approved in May 2012 for details and an update on:</p> <ul style="list-style-type: none"> • Management Action Plan (Priority 1,2, 3 Recommendations) • Operational Effectiveness Matters 	Addressed	Finance
The slippage in the project led to additional GC costs and placed pressure on the ability of IS&BS to coordinate the delivery of business as usual and project work. Whereas BT was able to draw on large internal resources, BTP faced greater constraints and had to draw in resources from across IS&BS and commission external providers (Avente) for support.	<p>PMO will support Project Sponsors and Project Managers during the project definition stage by assisting with internal resource planning and analysing the impact of potential scenarios (best, worst, most likely) on project costs and timescales. PMO has:</p> <ul style="list-style-type: none"> • Developed an internal resource calculator to complement the revised business case template, which requires the Project Sponsor to explain the project implantation approach; • Developed a resource demand forecasting tool which will be piloted with IS&BS; • Produced a revised business case template including a section on 'Impact and Achievability' and 'Internal Costs' to capture the impact of the project across BTP's departments. 	Addressed	PMO



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	<p>PMO will:</p> <ul style="list-style-type: none"> Refine BTP's approach to project costing in future business cases, for example, including the 'opportunity costs' of the project. 		
<p>The project updates provided to Service Improvement Board contained contradictory information concerning budget and spend.</p>	<p>All financial information reported to Service Improvement Board on force-wide projects now comes from the Finance Department. Project Managers are responsible for:</p> <ul style="list-style-type: none"> Maintaining a financial log; On a monthly basis, ensuring that the figures held by the Finance Department are an accurate reflection of their own tracking of spend; On a monthly basis, providing the Finance Department with a forecast for the remaining financial year. <p>PMO is responsible for:</p> <ul style="list-style-type: none"> Including a monthly snapshot (provided by the Finance Department) of the annual budget, year to date committed spend and forecast to the year end in the monthly Service Improvement Board project progress updates. Assessing the use of financial controls as part of the monthly Service Improvement Board project progress updates; Making recommendations to Project Managers regarding use of financial controls; Updating the Service Improvement Board 	<p>Addressed</p>	<p>Finance</p>



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monthly project progress update template
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4.3 Governance

Issue	Recommended approach	Timetable	Responsible owner
<p>The project's scale made it exceptional in BTP. Service Improvement Board currently oversees a portfolio of major projects with force-wide impact, which recognises they also have an exceptional status within the organisation. In order to carry out its oversight role effectively, Service Improvement Board needs assurance that all major projects have governance arrangements and controls in place, which are fit for purpose.</p>	<p>The PMO is responsible for ensuring that all BTP projects have the appropriate governance arrangements in place. Reporting to Service Improvement Board on project controls is now based on the PMO's view on the suitability and effectiveness of the controls, based on an assessment of what has been presented by the Project Manager. PMO has been fully resourced since July 2012 and is responsible for:</p> <ul style="list-style-type: none"> • Coordination of the monthly force-wide project progress report for Service Improvement Board ; • Assessment of the governance for each force-wide project; • Identification of issues and an assessment of whether they should be reported to Service Improvement Board as red, amber or green; • Discussion with the Project Managers to clarify queries and resolve potential ambiguity ; • Providing support and guidance to support Project Sponsors and Project Managers who require assistance; • Ensuring that new force-wide project business cases fully consider governance arrangements and project controls; • Providing monthly PMO KPI updates to Force Management Team, based on force-wide project 	Addressed	PMO



	<p>management performance in BTP.</p> <p>Project Sponsors and Project Managers are accountable and responsible respectively for:</p> <ul style="list-style-type: none"> • Carrying out a robust analysis of the governance requirements of their project during the definition stage; • Consulting with the PMO if they require assistance; • Reviewing, amending when necessary and maintaining the use of project controls throughout the life of the project; 		
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4.4 Roles & Responsibilities

Issue	Recommended approach	Timetable	Responsible owner
<p>The roles and responsibilities set out in the business case and BT documents were contradictory and roles and responsibilities on the project were not clear.</p>	<p>BTP must ensure that roles and responsibilities are clearly understood, documented consistently and signed off by a BTP project board. PMO will:</p> <ul style="list-style-type: none"> • Assess the use and current status of roles and responsibilities in force-wide projects and review them as part of the monthly assessment of project progress updates; • Promote the current project guidance and roles and responsibilities templates available on the intranet (PMO Reference Library) across BTP; 	<p>November Service Improvement Board</p>	<p>PMO</p>



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4.5 Stakeholder Engagement

Issue	Recommended approach	Timetable	Responsible owner
There was no stakeholder engagement strategy or communications plan on the project.	<p>All existing and new force-wide projects will have as a minimum a communication plan. PMO will:</p> <ul style="list-style-type: none"> • Add communications to the core project controls highlighted in the Service Improvement Board monthly project progress report; • Include communications as part of its monthly review of project controls; • Review the current project communications guidance with colleagues in the Media and Marketing Department; • Assess the impact of communications as part of the End of Project Review. 	November Service Improvement Board	PMO
The presentation by BTP of the project financial management concerns to BTPA raised concerns rather than allay fears that there were effective project controls in place.	BTP has implemented a new meeting structure, with Force Executive Board maintaining oversight of all major committees in BTP. Service Improvement Board will report to the Senior Command Team by exception and SCT will decide on the appropriate escalation of issues to BTPA.	November Service Improvement Board	PMO



5 TRIBAL

The following information is taken from the Tribal report issued in May 2012; 'Investigation review of the financial control and monitoring of the wide area network (WAN) project'.

MANAGEMENT ACTION PLAN

PRIORITY 1, 2 AND 3 RECOMMENDATIONS

Finding	Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer
Subsequent to the forecast figures set out in this report there has been further slippage in the implementation phase of the project and it is understood that the cessation of the Global Crossing expenditure is now projected to be in June 2012. The reasons for this further slippage were outside the scope of this review.	Action be taken to establish what opportunities there are to reduce the forecast costs of the WAN project and the operational risk exposures that may arise from taking the actions necessary to achieve these reductions.	1	<i>Agreed. Lines with Global Crossing have been cancelled with option to reinstate where required. Therefore costs are being mitigated by only paying for lines that are open and in use.</i> <i>Paul Day</i>	<i>Immediate</i>	<i>Paul Day</i>
Based upon the financial forecast at the end of February 2012 provided by Analysys Mason (Appendix D) the total forecast costs the total is £13.86 million, which is £2.09 million higher than the approved	The issue of whether the costs of continuing with the old system whilst the WAN project is fully implemented need to be included when	2	<i>Agreed. This analysis has been carried out and the information has been provided to the BTPA Financial Director.</i>	<i>3.05.2012</i>	<i>Simon Hart</i>



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Finding	Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer
total. However, there could be an argument that the Global Crossing costs should be excluded on the basis that they have arisen through project slippage and that the ongoing running of the old system did not require Cabinet Office approval. If the Global Crossing figure is removed the total is £10.97 million, which is under the approved total. BTPA needs to be totally transparent and we therefore suggest that this is a matter for discussion with the sponsor team at DfT.	considering the whether the Cabinet Office approved cost figure has been exceeded be agreed with the DfT.		<i>Simon Hart</i>		
Both the superseded and the current Financial Regulations require that "no expenditure shall be incurred, no commitments (including leasing agreements relevant to the revenue budget) entered into and no liabilities established unless there is sufficient and appropriate budgetary provision." Our findings are that for a variety of one-off reasons sufficient and appropriate budgetary provision was not made. Without setting up the WAN project as a separate cost centre it is not clear how the	Designated project managers be provided with clear schemes of delegation for each project they are responsible. The financial delegations need to accord with the Financial Regulations and include a clear hierarchical structure for approving variances (positive and adverse) as well as a clear management trail setting	2	<i>Agreed. The Chief Constables Delegation letter makes these responsibilities clear and Service Improvement Board reporting has been rationalised to ensure that financial reporting against projects is more transparent.</i> <i>Simon Hart 3.5.12</i>	03.05.12	<i>Simon Hart</i>



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Finding	Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer
requirement to operate with sufficient and appropriate budgetary provision could have been effectively discharged.	out how compliance is to both be monitored and reported.				

OPERATIONAL EFFECTIVENESS MATTERS

Item	Management Comments
Consideration be given to drawing up a template checklist for major projects which ensures that anticipated costs and budget provision are included to cover the project management and use of internal resources to assist on the projects.	<i>A Project Management Office (PMO) has been established under the DCC's command. The PMO will be responsible for ensuring that all BTP projects have the appropriate governance arrangements including delivery of benefits and budget overspend.</i>
Consideration be given to setting up separate cost centres for all major projects which enable all financial information (capital and revenue) to be captured and consolidated.	<i>The Director of Corporate Resources (DoCR) will work with the Finance Department to put arrangements in place to group budgets for projects under one consolidated cost centre per project. This will take effect from the new financial year.</i>



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Item	Management Comments
For major projects which are primarily required for enhancing delivery of the policing service consideration should be given to ring-fencing but not actually removing the budget provision assessed as being the savings arising from the completion of the project until the project has actually been successfully implemented.	<i>The PMO and the Finance Department will ensure that all project benefits are monitored for delivery purposes and where the benefit includes a cashable saving arrangements will be made to ensure this is reflected in the appropriate departmental budget.</i>
Consideration be given to requiring separate reports to be prepared for the Project Board for each major project with the report including detailed information on spend to date; additional costs identified and forecast against budget.	<i>Detailed budget reports are the responsibility of the Senior Responsible Owner and should be monitored by the SRO, Project Manager and the Project Board. The DoCR will provide the Programme Board and the DCC with a consolidated budget report on all the relevant project at the Programme Board Meetings.</i>
Consideration be given to amending the submission form for approval for spend on consultants to include explicit confirmation that there is adequate un-committed budget provision to cover the appointment of the consultants.	<i>This action has already taken place and is now factored into both the Resource Approval Panel process (DoCR) and the Consultancy Gateway (DCC).</i>
Consideration be given to requiring there to be a designated Finance team representative on the project team for major projects.	<i>SROs and Project Managers will have access to support from either a Finance and Corporate Services Manager or a member of the FHQ Finance Team.</i>
The Head of Information Services and Business Support should provide the Head of Finance with the 'worst case' of possible unplanned revenue costs for the WAN project that may be incurred in 2012/13 as a result of the delays in the project and obtain explicit confirmation as to the actual budget provision made for these costs.	<i>The Head of IS&BS and the Head of Finance have been asked to provide the DoCR with a revised budget to reflect the impact of the delay.</i>



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Item	Management Comments
<p>Analysys Mason be provided with written guidance on what costs can be capitalised and the approval process to be followed before additional capital expenditure can be incurred.</p>	<p><i>The management response on this is that whilst it is appropriate to buy in project management support for a project, BTP cannot abdicate its responsibility. The DoCR will hold the Head of IS&BS responsible for the overall management of the WAN project and as such should ensure that all the budgets are managed and recorded accurately.</i></p>
<p>The report on the WAN project provided to each meeting of the Programme Board should include any variances to the balances identified in this report clearly setting out the financial impact both for the current financial year (and potentially 2012/12) and also against the seven year total.</p>	<p><i>Forecast and actual spend is presented to both Programme Board and reviewed at the monthly finance reviews chaired by the DoCR.</i></p>



6 PORTFOLIO MANAGEMENT OFFICE (PMO)

6.1 Progress and achievements since July 2012

- BTP has re-established the PMO and fully resourced a new team, constituted of Head of PMO, x2 Project Managers, Project Officer.
- PMO is providing coaching for Project Managers;
- PMI is reviewing the core controls of each project and are now reporting an independent view on project controls to Service Improvement Board ;
- The minimum financial controls expected from Project Managers are budget tracking and forecasting. If evidence of this is not provided to the PMO it is flagged as a risk to the Project Sponsor and Service Improvement Board ;
- A Service Improvement Board challenge process is now established (to commence from October 2012) designed to challenge the quality of reporting prior to submission to Service Improvement Board ;
- Procedures have been changed so that Finance Department (not Project Managers) are the main source of information for financial data;
- Procedures have been changed so that each project requires a separate job code for Capital and Revenue funding to identify all project spend, with non-compliance flagged as a risk by PMO to Service Improvement Board ;
- The ACC CR has put in place a Technology Board with oversight of all technology projects and all individual spend items over £1,500;
- Integrity & Compliance Board is tracking performance against invoices paid without PO's raised.

6.2 PMO Non-WAN specific measures

As well as the measures specific to the WAN project, the PMO has:

- Produced revised Business Case templates and procedures;
- Developed resource management tools;
- Introduced a critical milestones chart to track project slippage at portfolio level;
- Introduced a project dashboard report to improve the information presented to BTPA Finance Committee;
- Developed a lessons learned log to be published on the PMO intranet pages;
- Carried out project audits on behalf of Service Improvement Board (where requested).



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7 APPENDIX A

List of interviews

	Name	Interview Date	Organisation	Role
1	Mark Newton	21/08/2012	BTP	ACC CR
2	Philip Clifton	09/08/2012	BTP	Technology-Infrastructure
3	Philippa Brown	20/08/2012	BTP	Technology-Communications
4	Paul Day	21/08/2012	BTP	Senior Responsible Officer (Head of IS&BS)
5	Cliff Cunningham	22/08/2012	BTP	Programme Manager BTP (Chief Technology Officer)
6	Simon Hart	24/08/2012	BTP	Head of Finance
7	Rick Keith	23/08/2012	BT	Project Manager - BT
8	Oliver Anderson	23/08/2012	BT	Programme Manager - BT
9	Adrian Dain	23/08/2012	Analyses Mason	Project Manager (for BTP)
12	Tony Foster	22/08/2012	BTP	Head of Procurement
13	Andrew Figgures	22/08/2012	BTPA	Chief Executive - BTPA
14	Jeroen Weimar	30/08/2012	BTPA	Chair - BTPA Finance Committee

Reports:

- Tribal, Investigation Review of the Financial Control and Monitoring of the Wide Area Network (WAN) Project, report issued May 2012
- Finance
- BTP, Wide Area Network (WAN) Replacement, Briefing paper for Members of the British Transport Police Authority, issued 25 October 2010
- BTP, Report to Finance Group, issued 22 May 2012
- BTP, Report to Audit Committee, issued 31 May 2012
- BTP, Report to Finance Group, issued 26 July 2012
- BTP, Service Improvement Board project progress reports, issued 2011-12



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- BT, BTP Programme Management Plan, Version 2, issued 13/10/2010