

BBC Executive Implementation plan following NAO study on BBC estates projects

The Trust asked the NAO in 2009 to carry out a Value for Money study examining the BBC’s management of three estate projects. The Trust published the NAO’s report on 25 February 2010, which included a number of recommendations made by the NAO as to how the BBC could improve Value for Money.

After every VfM study in which recommendations are made, the Trust requires the Executive to produce an implementation plan setting out how they will put the recommendations into practice. The table below was presented to the Trust by the Executive, and was approved by the Trust's Finance & Compliance Committee. It shows the actions the BBC Executive are taking / will be taking in response to the NAO recommendations, including the specific areas highlighted by the Trust. The implementation plan will be applied across the BBC’s major projects.

	NAO recommendation	Action planned / taken	Target date	Action owner
a	<p>Investment decisions should be based on a full understanding of the risks and opportunities, and business cases submitted to the BBC Trust should at a minimum include:</p> <ul style="list-style-type: none"> • an assessment of the full-life costs and delivery timetable of the project; • an assessment of the qualitative and quantitative benefits, how these align to the project objectives and when they will be delivered; • a quantified assessment of risk so any uncertainty in the scope of the project can be evaluated; and • a description of the proposed governance structure including roles, responsibilities and reporting lines. 	<ul style="list-style-type: none"> • In 2007, Finance Committee guidelines were updated to reflect current best practice. • Following the NAO review, the BBC Investment Guidelines have been rigorously assessed against Office of Government Commerce guidelines, and were identified as being compliant with best practice. • A common approach to benefits identification, planning and alignment to overall BBC and project objectives has been agreed. This is being applied across the BBC Portfolio of high risk projects. 	Completed	

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b	<p>To provide a clear basis for accountability and the measurement of achievements the BBC should produce a detailed benefit realisation plan based on an assessment of the benefits in the business case. This plan should include measurable targets and performance indicators with assigned responsibilities and should be maintained and developed as the project progresses.</p>	<ul style="list-style-type: none"> The BBC Project Management Office (PMO) has developed and codified a standard approach to benefits measurement via performance indicators, and has set accountabilities for realisation and monitoring. This is being applied across all projects within the portfolio. In order to embed early benefits realisation and planning, the PMO will provide face to face guidance with online support via the BBC Project Management web portal, enabling new project teams to identify and measure benefits across the project life cycle. 	Ongoing	BBC PMO
c	<p>At the outset of major projects the BBC should set out the skills necessary to deliver each stage of the project and match this against an assessment of the skills available within the BBC to identify gaps.</p> <p>At Salford Quays, where there will be ongoing contracts for the availability of critical services to manage, the BBC will need to make sure that those responsible have the commercial and legal skills necessary to monitor whether services are provided as specified and, if they are not, enforce the terms of the contract.</p>	<ul style="list-style-type: none"> A systematic review of pan-BBC projects is being undertaken by the BBC PMO, in association with project sponsors. This includes identification and mitigation of expertise gaps and training requirements. Recent selection of technology support in key areas has mitigated the risk of multiple, complex contracts. The future operating model and structure for BBC North will be reviewed to ensure adequacy of skills and experience for legal and commercial contract management. 	<p>30 October 2010</p> <p>30 October 2010</p>	<p>BBC PMO</p> <p>BBC North</p>

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d	<p>To maximise the impact of the PMO the BBC should make sure it not only provides guidance and advice but also acts as a single centre of corporate expertise with the capacity to identify the best way to translate the BBC's business requirements into well-defined solutions incorporating learning from past projects. To fulfil this role the Programme Management Office will need to have sufficient profile within the BBC to be able to influence those divisions affected by major projects.</p>	<ul style="list-style-type: none"> • Over the past twelve months, the BBC PMO has been firmly established as a pan-BBC centre of excellence for project management, and its resource and expertise has been increased with extra investment. • This has been partly achieved through briefings to divisional boards, and through the BBC PMO Steering Group. This is constituted of: <ul style="list-style-type: none"> ○ Chief Operating Officer ○ Chief Financial Officer, and ○ Director, Future Media & Technology ○ Director, BBC People • The PMO will continue to share best practice through recently established management forums with our BBC PMO Steering Board, Project Directors and community of project experts, and via a web portal. 	Completed	Executive Board
e	<p>For all future projects the BBC should:</p> <ul style="list-style-type: none"> • calculate the financial contingency on the basis of a quantitative assessment of the cost and probability of project risks occurring (as it did for the Salford Quays project); and • authorise the release of unspent contingency funds only where it contributes to delivering the approved scope of the project more cost effectively. 	<ul style="list-style-type: none"> • The BBC Investment Guidelines, updated in 2007, outline the requirements for risk quantification, and the circumstances under which contingency funding can be released. • As noted in our response to <i>recommendation a</i>, above, the BBC Investment Guidelines have been rigorously reviewed for compliance against OGC guidelines, and were identified as being compliant with best practice. 	Completed	