



EMBARGOED UNTIL 20 NOVEMBER 2009

[www.taxpayersalliance.com](http://www.taxpayersalliance.com)

RESEARCH NOTE 49

## Out of Control: How the Government overspends on capital projects

In 2007 the TaxPayers' Alliance calculated the cost of public sector capital project overruns. *Beyond the Dome* found that 14 had overrun by more than the Millennium Dome. Since then, numerous official reports have attacked big government projects. From IT systems to public buildings and military aircraft, many projects have been late and over budget, and have not delivered on their initial promise.

This report updates that analysis to show that failures in managing capital projects continue to impose significant costs on taxpayers.

The state of the public finances means that any future government will be forced to cut spending, and the Government's current spending plans envisage significant cuts in capital expenditure in particular. It is essential that a more considered approach is taken to capital projects, and they only go ahead on the basis of a realistic assessment of cost. Even more importantly, they must be managed competently to conclusion. There have clearly been significant failures with many high profile (and many mundane) projects. The evidence for this is all too clear, with reports from the National Audit Office (NAO) and the Public Accounts Committee (PAC) consistently criticising public sector project management.

The key findings of this report are:

- The **total net overrun** on 240 projects was more than **£19 billion**. The figures are from an opportunity sample of Government projects with official costings available.
- This is equivalent to over **£750 per household in Britain**.
- The **average cost overrun** of the sampled projects, including those that came in under budget, was more than **38 per cent**. This is up 4 percentage points from our last survey in 2007.
- **32 per cent** of the projects sampled **overran**, while **24 per cent came in under budget**.

- The project to **overrun by the most** is the NHS National Programme for IT, which is currently **£10.4 billion over budget** – or **450 per cent**.
- The worst performing department was the **Ministry of Justice** with 2 projects overrunning by an average of **163 per cent**.
- The **best projects** were the **East and North Hertfordshire Hospital** and the **Future Joint Combat Aircraft**, coming in under budget by a **combined £840 million**.
- The **best performing departments** were the **Treasury, the Department for Innovation, Universities and Skills, and the Foreign and Commonwealth Office**. Their projects came in under budget on average.
- Departments should make **more effective use of optimism bias** when estimating the cost of projects, and **use good practice** learnt on successful projects.

**John O’Connell**, Policy Analyst at the TaxPayers’ Alliance, said:

*“Too many projects are coming in late and over budget and this failure is costing the taxpayer billions, endangering essential services. This can mean doctors having to work in outdated hospitals or soldiers on the front line having to use inadequate equipment, despite the taxpayer having paid handsomely for new facilities or kit. Sadly, it seems like the public sector’s record is getting worse, not better, over time. The state of the public finances means that it’s more important than ever to ensure value for money is achieved on capital projects.”*

To arrange broadcast interviews, please contact:

**Susie Squire**

Political Director, TaxPayers' Alliance

susie.squire@taxpayersalliance.com; 07974 691 865

To discuss the research, please contact:

**John O’Connell**

Policy Analyst, TaxPayers' Alliance

john.oconnell@taxpayersalliance.com; 07708 506 643

## Why do public sector projects consistently overrun?

Government is now so large and diverse that it is near impossible to manage:

- Many politicians and civil servants lack the necessary skills to lead large capital projects in areas in which they have little or no expertise. The Institute of Economic Affairs found this to be endemic in a detailed study of six big projects.<sup>1</sup>
- Using consultants and outside advisers on projects is not only expensive but can perpetuate the lack of knowledge in departments. It is also a useful way of avoiding responsibility for project failure.<sup>2</sup>

This is further complicated by constant changes in the structure and leadership of Government departments. The Department of Innovation, Universities and Skills lasted for only two years. Since 2004 Alan Johnson has been the Secretary of State for Work and Pensions; Trade and Industry; Education and Skills; and Health before becoming Home Secretary earlier this year. Such instability leads to poor project management:

- Holding a number of briefs in a short period means Secretaries of State face an incentive to initially under-cost projects, in order to get prestigious schemes approved. Once they have moved on any project overruns become someone else's problem.
- A similar problem exists for civil servants, as the NAO note:

*"Commercial experience is being lost to projects due to commercial civil servants moving position frequently."*<sup>3</sup>

- The median tenure for a Senior Civil Servant is 2.7 years.<sup>4</sup> As senior department executives, this is not long enough to see longer term projects through.

The lack of a more robust and accountable framework means that expensive mistakes are frequently made. This can occur at the outset or during a project:

- Public sector officials fail to properly specify what is desired from a project at the beginning of the process, or simply miscalculate particular elements of a project.
- Once it is underway, changes are then made, often delaying the delivery date and adding to the overall cost. Higher than expected costs for *Principal Anti-Air Missile System Production Equipment* led to a £124 million increase to the cost of the Type 45 Destroyer project.<sup>5</sup>

---

<sup>1</sup> D.R. Myddleton (2007), *They Meant Well: Government Project Disasters*, Institute of Economic Affairs, p.17

<sup>2</sup> National Audit Office, *Commercial Skills for Complex Government Projects*, November 2009

<sup>3</sup> Ibid

<sup>4</sup> Public Administration Select Committee, *Ninth Report of the Session: Skills for Government, 2006-07*

<sup>5</sup> National Audit Office, *Ministry of Defence Major Projects Report Summary Sheet*, December 2008

- More worryingly, those involved in a project may simply not know how much is being spent, or what on. In implementing *NOMIS*, a system to track offenders' progress through the criminal justice system, the National Offender Management Service was unable to account for how £161 million was spent.<sup>6</sup>
- More high-profile projects often have wildly different estimates, indicating a lack of control over the final cost. It has been reported that the NHS *National Programme for IT* will eventually cost £20 billion.<sup>7</sup>

The severity of the fiscal crisis means that spending cuts will be needed to accompany better productivity. With departmental budgets pared back, it need not be the case that large capital projects will further suffer:

- A recent report by the National Audit Office suggested that the expertise that the Government has already is not being used effectively.<sup>8</sup>
- This is part of a broader problem with poor public sector productivity. The Office for National Statistics estimated that this had declined 3.4 per cent since 1997, with inputs increasing by 38 per cent.<sup>9</sup> The Centre for Economics and Business Research estimate that this inefficiency costs the taxpayer £58.4 billion a year.<sup>10</sup>

Realigning priorities and increasing management stability can help to correct the failings of the public sector in capital project procurement. There are many public sector projects that run on or under budget. This is often due to simply scaling down the size of the project, as with one of the projects at Oxford Radcliffe Hospitals.

It can also be down to good management and sound practice however, and it is important that these lessons are shared by Government departments. A successful project was the roll out of new Jobcentre Plus offices, which came in £314 million under budget:<sup>11</sup>

- Fundamental to the success of that project was "consistent leadership, strong governance and close monitoring by a central project management team."
- Standardising plans and processes meant that costs were kept to a minimum.
- The department worked in close partnership with their contractors to identify and therefore avoid potential overruns before they came to fruition.

---

<sup>6</sup> Public Accounts Committee, *The National Offender Management Information System*, November 2009

<sup>7</sup> Financial Times (30/05/2006) [http://www.ft.com/cms/s/0/b67129e2-ef78-11da-b435-0000779e2340.html?nclick\\_check=1](http://www.ft.com/cms/s/0/b67129e2-ef78-11da-b435-0000779e2340.html?nclick_check=1)

<sup>8</sup> National Audit Office, *Commercial Skills for Complex Government Projects*, November 2009

<sup>9</sup> Office for National Statistics, *Total Public Service Output and Productivity (with correction)*, August 2009

<sup>10</sup> Centre for Economics and Business Research, *Public Sector Costs*, August 2009

<sup>11</sup> National Audit Office, *The Roll-Out of the Job Centre Plus Office Network*, February 2008

The Government already has mechanisms in place to mitigate for underestimating the cost of projects:

- The Treasury's advice on 'optimism bias' from their 2003 Green Book lays out a five point plan for project leaders to follow, so that estimates can be adjusted within set parameters to offer a more realistic picture of the final cost.<sup>12</sup>
- It is unclear how many of the initial budgets in our sample included an allowance for optimism bias, and still overran to the significant extent found in our report. Projects should only go ahead with a full analysis of their likely cost, including an allowance for the serious overruns evident in our research. For example, the debate over whether Britain should bid for the Olympic Games should not have happened without the understanding that the proposed budget was not reflective of the actual cost.

## Sources and Methodology

1. This research note was compiled by analysing official reports on departmental capital projects which have been completed in the last two years, or are still ongoing, and where official reports were unavailable a study of parliamentary questions was used.
2. This report constitutes an opportunity sample of projects across Government departments. The only condition for inclusion in the report was that projects were properly costed from a reasonable source.
3. Initial estimates of the cost of each project have been given, together with the final cost or latest estimate. To give the cost overrun, the difference between the two figures is calculated in £ million and as a percentage of the initial estimate.
4. The average cost overrun is a weighted average and is derived from the difference between the sum of the initial cost estimates and the sum of the final costs, divided by the sum of the initial cost estimates.
5. The number of households used to calculate the average cost per household is 25.29 million and is taken from the latest available data from the Department for Communities and Local Government ([www.communities.gov.uk](http://www.communities.gov.uk)).
6. Other projects are thought to have overrun but have not been costed yet, and therefore are omitted. (For example, the Building Schools for the Future programme is widely reported to be running over budget but its long term completion date means that this has not yet been costed.)
7. Every effort is made to ensure that the figures presented are precise and up-to-date, and sourced as reliably as possible. Please contact the TaxPayers' Alliance if you have any corrections, or more recent official figures.

---

<sup>12</sup> HM Treasury, *Supplementary Green Book Guidance – Optimism Bias*, 2003

## Public Sector Capital Projects still ongoing or finished in the last two years, by cost overrun

| Project Name                                      | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| NPFIT   | Health     | 2,300.0                          | 12,656.2                              | 10,356.2               | 450.3%              |
| Olympics  | DCMS       | 2,400.0                          | 9,325.0                               | 6,925.0                | 288.5%              |
| Astute Class Submarine                            | Defence    | 2,578.0                          | 3,806.0                               | 1,228.0                | 47.6%               |
| Type 45 Destroyer                                 | Defence    | 5,475.0                          | 6,464.0                               | 989.0                  | 18.1%               |
| NIMROD Maritime Reconnaissance and Attack MK4     | Defence    | 2,813.0                          | 3,602.0                               | 789.0                  | 28.0%               |
| Libra   | Justice    | 146.0                            | 487.0                                 | 341.0                  | 233.6%              |
| NOMIS   | Justice    | 234.0                            | 513.0                                 | 279.0                  | 119.2%              |
| Pensions Transformation Programme                 | DWP        | 429.0                            | 598.0                                 | 169.0                  | 39.4%               |
| North Bristol/South Gloucestershire               | Health     | 310.0                            | 475.0                                 | 165.0                  | 53.2%               |
| Central Payment System                            | DWP        | 90.0                             | 178.0                                 | 88.0                   | 97.8%               |
| A46 Newark – Widmerpool Improvement               | Transport  | 157.0                            | 220.0                                 | 63.0                   | 40.1%               |
| A2/A282 Dartford Improvement                      | Transport  | 59.0                             | 120.0                                 | 61.0                   | 103.4%              |
| A2 Bean - Cobham Phase 2                          | Transport  | 68.0                             | 122.0                                 | 54.0                   | 79.4%               |
| A3 Hindhead Improvement                           | Transport  | 185.0                            | 239.0                                 | 54.0                   | 29.2%               |
| Soothsayer  | Defence    | 150.0                            | 202.0                                 | 52.0                   | 34.7%               |
| Customer Information System                       | DWP        | 40.0                             | 88.0                                  | 48.0                   | 120.0%              |
| M1 Junction 6a to 10 Widening                     | Transport  | 241.0                            | 289.0                                 | 48                     | 19.9%               |
| M6 Carlisle to Guardsmill Extension               | Transport  | 140.0                            | 175.0                                 | 35.0                   | 25.0%               |
| A1 Peterborough – Blyth Grade Separated Junctions | Transport  | 54.0                             | 83.0                                  | 29.0                   | 53.7%               |

| Project Name  | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Joint Personnel Administration                      | Defence    | 244.9                            | 269.0                                 | 24.1                   | 9.8%                |
| Royal National Orthopaedic Hospital                 | Health     | 121.0                            | 143.5                                 | 22.5                   | 18.6%               |
| A421 Great Barford Bypass                           | Transport  | 37.0                             | 58.0                                  | 21.0                   | 56.8%               |
| A500 City Road & Stoke                              | Transport  | 34.0                             | 55.0                                  | 21.0                   | 61.8%               |
| A419 Blunsdon Bypass                                | Transport  | 44.0                             | 65.0                                  | 21.0                   | 47.7%               |
| Fraud Referrals and Interventions Management System | DWP        | 12.0                             | 30.0                                  | 18.0                   | 150.0%              |
| A57/A628 Mottram – Tintwistle Bypass                | Transport  | 90.0                             | 106.0                                 | 16                     | 17.8%               |
| Mersey Care   | Health     | 120.0                            | 135.0                                 | 15.0                   | 12.5%               |
| Jobseekers Regime and Flexible New Deal             | DWP        | 17.0                             | 32.0                                  | 15.0                   | 88.2%               |
| A14 Haughley New St - Stowmarket Improvement        | Transport  | 18.0                             | 32.0                                  | 14.0                   | 77.8%               |
| A590 High & Low Newton Bypass                       | Transport  | 22.0                             | 35.0                                  | 13                     | 59.1%               |
| Lone Parent Obligations                             | DWP        | 9.0                              | 21.0                                  | 12.0                   | 133.3%              |
| Implementing e-Channels                             | DCSF       | 22.9                             | 34.3                                  | 11.4                   | 49.8%               |
| A5117/A550 Deeside Park Junctions Improvement       | Transport  | 32.0                             | 43.0                                  | 11.0                   | 34.4%               |
| A66 Temple Sowerby & Improvement at Winderwath      | Transport  | 29.0                             | 40.0                                  | 11.0                   | 37.9%               |
| Great Ormond Street Hospital for Children NHS Trust | Health     | 143.0                            | 153.0                                 | 10.0                   | 7.0%                |
| Method of Payment Reform Programmes                 | DWP        | 38.0                             | 48.0                                  | 10.0                   | 26.3%               |
| A428 Caxton Common to Hardwick Improvement          | Transport  | 45.0                             | 55.0                                  | 10                     | 22.2%               |
| Terrier   | Defence    | 304.0                            | 313.0                                 | 9.0                    | 3.0%                |

| Project Name   | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Southampton  | Health     | 52.0                             | 61.0                                  | 9.0                    | 17.3%               |
| Whole Farm Approach                                  | Defra      | 65.0                             | 74.0                                  | 9.0                    | 13.8%               |
| A30 Bodmin Indian Queens                             | Transport  | 85.0                             | 93.0                                  | 8.0                    | 9.4%                |
| A11 Fiveways - Thetford Improvement                  | Transport  | 53.0                             | 60.0                                  | 7.0                    | 13.2%               |
| ARIES Finance, Procurement and Supporting System     | DfID       | 11.0                             | 17.6                                  | 6.6                    | 60.0%               |
| A63 Melton Grade Separated Junction                  | Transport  | 16.0                             | 22.0                                  | 6.0                    | 37.5%               |
| A11 Attleborough Bypass                              | Transport  | 24.0                             | 29.0                                  | 5.0                    | 20.8%               |
| Document Repository Service                          | DWP        | 6.0                              | 10.0                                  | 4.0                    | 66.7%               |
| A66 Long Newton Junction                             | Transport  | 8.0                              | 12.0                                  | 4                      | 50.0%               |
| A38 Dobwalls Bypass                                  | Transport  | 33.0                             | 36.0                                  | 3.0                    | 9.1%                |
| Barnet, Enfield and Haringey Mental Health NHS Trust | Health     | 13.0                             | 15.5                                  | 2.5                    | 19.2%               |
| Renew IT   | Defra      | 7.4                              | 9.8                                   | 2.4                    | 32.4%               |
| National Blood Service                               | Health     | 40.2                             | 42.2                                  | 2.0                    | 5.0%                |
| A66 Greta Bridge to Stephen Bank Improvement         | Transport  | 8.0                              | 10.0                                  | 2.0                    | 25.0%               |
| Fire Incident Recording System                       | DCLG       | 1.3                              | 3.0                                   | 1.7                    | 130.8%              |
| Bridge Phase 1                                       | FCO        | 4.4                              | 6.0                                   | 1.6                    | 36.4%               |
| Spatial Information Repository                       | Defra      | 13.8                             | 15.0                                  | 1.2                    | 8.7%                |
| HR Online  | BERR       | 9.5                              | 10.6                                  | 1.1                    | 11.6%               |
| Department for Work and Pensions Change              | DWP        | 245.0                            | 246.0                                 | 1.0                    | 0.4%                |
| Provider Referrals and Payments Project              | DWP        | 17.0                             | 18.0                                  | 1.0                    | 5.9%                |
| Disaster Recovery                                    | FCO        | 1.5                              | 2.5                                   | 1.0                    | 66.7%               |



| Project Name                                 | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| A595 Parton – Lillyhall Improvement          | Transport  | 29.0                             | 30.0                                  | 1.0                    | 3.4%                |
| M40/A404 Handy Cross Junction Improvement    | Transport  | 12.0                             | 13.0                                  | 1.0                    | 8.3%                |
| A47 Blofield to North Burlingham Dualling    | Transport  | 14.0                             | 15.0                                  | 1.0                    | 7.1%                |
| A66 Carkin Moor to Scotch Corner Improvement | Transport  | 10.0                             | 11.0                                  | 1                      | 10.0%               |
| Web Transformation Programme                 | DfID       | 2.0                              | 2.5                                   | 0.5                    | 25.0%               |
| National Strategies Contract                 | DCSF       | 5.5                              | 5.9                                   | 0.4                    | 7.3%                |
| Website Rationalisation                      | DCLG       | 3.2                              | 3.6                                   | 0.4                    | 12.5%               |
| MEDBEN                                       | Health     | 0.7                              | 1.0                                   | 0.3                    | 42.9%               |
| Ref Costs 2008                               | Health     | 0.9                              | 1.2                                   | 0.3                    | 33.3%               |
| East Kent Hospitals NHS Trust                | Health     | 13.6                             | 13.8                                  | 0.2                    | 1.5%                |
| OGC Laptop Refresh                           | Treasury   | 0.1                              | 0.3                                   | 0.2                    | 200.0%              |
| Prism management information phase 1         | FCO        | 3.6                              | 3.8                                   | 0.2                    | 5.6%                |
| Post Infrastructure Improvement              | FCO        | 3.1                              | 3.2                                   | 0.1                    | 3.2%                |
| EDRMS  | DCLG       | 0.7                              | 0.8                                   | 0.1                    | 14.3%               |
| Eudra GMP Linkage                            | Health     | 0.3                              | 0.4                                   | 0.1                    | 33.3%               |
| Contact                                      | Health     | 0.5                              | 0.6                                   | 0.1                    | 20.0%               |
| Pharmacy Replacement                         | Health     | 0.2                              | 0.3                                   | 0.1                    | 50.0%               |
| Bolton Hospitals NHS Trust                   | Health     | 19.6                             | 19.6                                  | 0.0                    | 0.0%                |
| Buckinghamshire Hospitals NHS Trust          | Health     | 19.0                             | 19.0                                  | 0.0                    | 0.0%                |
| Calderstones NHS Trust                       | Health     | 14.2                             | 14.2                                  | 0.0                    | 0.0%                |

| Project Name  | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Gloucestershire Hospitals NHS Foundation Trust            | Health     | 15.0                             | 15.0                                  | 0.0                    | 0.0%                |
| Hastings and Rother Primary Care Trust                    | Health     | 16.0                             | 16.0                                  | 0.0                    | 0.0%                |
| Hull and East Yorkshire Hospitals NHS Trust               | Health     | 31.5                             | 31.5                                  | 0.0                    | 0.0%                |
| Imperial College Healthcare NHS Trust                     | Health     | 15.5                             | 15.5                                  | 0.0                    | 0.0%                |
| North Bristol NHS Trust                                   | Health     | 40.0                             | 40.0                                  | 0.0                    | 0.0%                |
| Nottinghamshire Healthcare NHS Trust                      | Health     | 34.9                             | 34.9                                  | 0.0                    | 0.0%                |
| Oxford Radcliffe Hospitals NHS Trust                      | Health     | 26.0                             | 26.0                                  | 0.0                    | 0.0%                |
| Oxleas NHS Foundation Trust                               | Health     | 24.6                             | 24.6                                  | 0.0                    | 0.0%                |
| Pennine Acute Hospitals NHS Trust                         | Health     | 32.0                             | 32.0                                  | 0.0                    | 0.0%                |
| Pennine Acute Hospitals NHS Trust                         | Health     | 16.7                             | 16.7                                  | 0.0                    | 0.0%                |
| Royal Free Hampstead NHS Trust                            | Health     | 50.7                             | 50.7                                  | 0.0                    | 0.0%                |
| Somerset Primary Care Trust                               | Health     | 11.3                             | 11.3                                  | 0.0                    | 0.0%                |
| South Gloucestershire Primary Care Trust                  | Health     | 11.2                             | 11.2                                  | 0.0                    | 0.0%                |
| South West London and St George's Mental Health NHS Trust | Health     | 23.0                             | 23.0                                  | 0.0                    | 0.0%                |
| United Bristol Healthcare NHS Trust                       | Health     | 40.0                             | 40.0                                  | 0.0                    | 0.0%                |
| University Hospital of North Staffordshire NHS Trust      | Health     | 55.0                             | 55.0                                  | 0.0                    | 0.0%                |
| West Hertfordshire Hospitals NHS Trust                    | Health     | 34.0                             | 34.0                                  | 0.0                    | 0.0%                |

| Project Name                                      | Department         | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|--------------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Northumberland, Tyne and Wear                     | Health             | 50.0                             | 50.0                                  | 0.0                    | 0.0%                |
| North West London Hospitals - Northwick Park      | Health             | 305.0                            | 305.0                                 | 0.0                    | 0.0%                |
| Employment and Support Allowance                  | DWP                | 295.0                            | 295.0                                 | 0.0                    | 0.0%                |
| Child Support Agency Operational Improvement Plan | DWP                | 321.0                            | 321.0                                 | 0.0                    | 0.0%                |
| Tell Us Once                                      | DWP                | 13.0                             | 13.0                                  | 0.0                    | 0.0%                |
| Data Centre Strategy                              | DWP                | 33.0                             | 33.0                                  | 0.0                    | 0.0%                |
| Ocean   | FCO                | 7.6                              | 7.6                                   | 0.0                    | 0.0%                |
| FCONet 3  | FCO                | 3.5                              | 3.5                                   | 0.0                    | 0.0%                |
| Global Collaboration                              | FCO                | 3.6                              | 3.6                                   | 0.0                    | 0.0%                |
| Future Firecrest Programme                        | FCO                | 401.0                            | 401.0                                 | 0.0                    | 0.0%                |
| UnITE Project                                     | DIUS               | 1.7                              | 1.7                                   | 0.0                    | 0.0%                |
| Fast Track Trade Mark Application                 | DIUS               | 0.3                              | 0.3                                   | 0.0                    | 0.0%                |
| Contact Point                                     | DCSF               | 224.0                            | 224.0                                 | 0.0                    | 0.0%                |
| e-Common Assessment Framework                     | DCSF               | 44.0                             | 44.0                                  | 0.0                    | 0.0%                |
| Schools Recruitment - CPP Shared Services         | DCSF               | 2.3                              | 2.3                                   | 0.0                    | 0.0%                |
| Oasis Desktop Refresh                             | Treasury           | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| OGC Blackberry                                    | Treasury           | 0.5                              | 0.5                                   | 0.0                    | 0.0%                |
| Group Networks                                    | Treasury           | 0.6                              | 0.6                                   | 0.0                    | 0.0%                |
| Enabling Technology                               | Defra              | 4.2                              | 4.2                                   | 0.0                    | 0.0%                |
| Surveillance Profiles Database                    | Defra              | 0.5                              | 0.5                                   | 0.0                    | 0.0%                |
| Government Gateway Release 2.2                    | Duchy of Lancaster | 2.5                              | 2.5                                   | 0.0                    | 0.0%                |

| Project Name  | Department         | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|--------------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Government Gateway Release 2.3                        | Duchy of Lancaster | 1.2                              | 1.2                                   | 0.0                    | 0.0%                |
| Government Gateway, Business Continuity               | Duchy of Lancaster | 2.7                              | 2.7                                   | 0.0                    | 0.0%                |
| Government Gateway, Strategic Support                 | Duchy of Lancaster | 4.3                              | 4.3                                   | 0.0                    | 0.0%                |
| e-RM  | Duchy of Lancaster | 3.7                              | 3.7                                   | 0.0                    | 0.0%                |
| MEDS Improvements                                     | Health             | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| Learning Management System                            | Health             | 0.7                              | 0.7                                   | 0.0                    | 0.0%                |
| ACCEA   | Health             | 1.2                              | 1.2                                   | 0.0                    | 0.0%                |
| CAS   | Health             | 0.6                              | 0.6                                   | 0.0                    | 0.0%                |
| Business Intelligence Implementation                  | Health             | 1.0                              | 1.0                                   | 0.0                    | 0.0%                |
| Enterprise Architecture Programme                     | Health             | 0.3                              | 0.3                                   | 0.0                    | 0.0%                |
| Health Protection Informatics Website                 | Health             | 0.5                              | 0.5                                   | 0.0                    | 0.0%                |
| Quickr (Quickplace Upgrade)                           | Health             | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| Centralised Security Monitoring                       | Health             | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| Citrix Upgrade  | Health             | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| WAN Upgrade   | Health             | 0.4                              | 0.4                                   | 0.0                    | 0.0%                |
| Sentinel Server Upgrade                               | Health             | 3.5                              | 3.5                                   | 0.0                    | 0.0%                |
| Sentinel Component Software Development               | Health             | 1.6                              | 1.6                                   | 0.0                    | 0.0%                |
| Knowledge and Information Management Report Programme | DfID               | 6.8                              | 6.8                                   | 0.0                    | 0.0%                |

| Project Name  | Department              | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|-------------------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Information Technology Infrastructure Programme                   | DfID                    | 5.0                              | 5.0                                   | 0.0                    | 0.0%                |
| Data Interchange Hub Release 2                                    | DCLG                    | 1.3                              | 1.3                                   | 0.0                    | 0.0%                |
| SAP Implementing Benefits   | DCLG                    | 0.4                              | 0.4                                   | 0.0                    | 0.0%                |
| Smarter Business Process (SAP Enhancement)                        | DCLG                    | 0.4                              | 0.4                                   | 0.0                    | 0.0%                |
| Business Intelligence System Technical Upgrade                    | DCLG                    | 0.4                              | 0.4                                   | 0.0                    | 0.0%                |
| PIMS HR e-Strategy Implementation                                 | DCLG                    | 0.3                              | 0.3                                   | 0.0                    | 0.0%                |
| Government Offices National Indicator Analysis                    | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| Government Offices Human Resources Database                       | DCLG                    | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| Government Offices Online Performance Management System - Phase 2 | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| Government Offices Contacts Database                              | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| Fast Track Householder Appeals—Stage 2                            | DCLG                    | 0.2                              | 0.2                                   | 0.0                    | 0.0%                |
| Business Continuity Planning Charging for Appeals                 | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| Disaster Recovery Charging for Appeals                            | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| Meeting Matrix  | DCLG                    | 0.1                              | 0.1                                   | 0.0                    | 0.0%                |
| PRISM - Technical Refresh   | Northern Ireland Office | 1.3                              | 1.3                                   | 0.0                    | 0.0%                |
| A30/A382 Merrymeet Junction                                       | Transport               | 12.0                             | 12.0                                  | 0.0                    | 0.0%                |

| Project Name                                   | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| A14 Ellington – Fen Ditton Improvement         | Transport  | 490.0                            | 490.0                                 | 0.0                    | 0.0%                |
| A45/A46 Tollbar End Improvement                | Transport  | 57.0                             | 57.0                                  | 0.0                    | 0.0%                |
| M1 Junction 10 to 13 Widening                  | Transport  | 382.0                            | 382.0                                 | 0.0                    | 0.0%                |
| A19/A184 Testos Junction Improvement           | Transport  | 21.0                             | 21.0                                  | 0.0                    | 0.0%                |
| A505 Dunstable Northern Bypass (A5 to M1 Link) | Transport  | 48.0                             | 48.0                                  | 0.0                    | 0.0%                |
| A421 Bedford to M1 Junction 13                 | Transport  | 171.0                            | 171.0                                 | 0.0                    | 0.0%                |
| A21 Tonbridge to Pembury                       | Transport  | 65.0                             | 65.0                                  | 0.0                    | 0.0%                |
| M40 Junction 15 (Longbridge)                   | Transport  | 57.0                             | 57.0                                  | 0.0                    | 0.0%                |
| M20 Junction 10A                               | Transport  | 46.0                             | 46.0                                  | 0.0                    | 0.0%                |
| A27 Southerham to Beddingham Improvement       | Transport  | 19.0                             | 19.0                                  | 0.0                    | 0.0%                |
| M1 J21 – 30                                    | Transport  | 1,915.0                          | 1,915.0                               | 0.0                    | 0.0%                |
| M25 J1b – 3 Widening                           | Transport  | 66.0                             | 66.0                                  | 0.0                    | 0.0%                |
| M25 J5 – 7 Widening                            | Transport  | 214.0                            | 214.0                                 | 0.0                    | 0.0%                |
| M25 J16 – 23                                   | Transport  | 496.0                            | 496.0                                 | 0.0                    | 0.0%                |
| M25 J23 – 27 Widening                          | Transport  | 419.0                            | 419.0                                 | 0.0                    | 0.0%                |
| M25 J27 – 30 Widening                          | Transport  | 402.0                            | 402.0                                 | 0.0                    | 0.0%                |
| A21 Kippings Cross to Lamberhurst Bypass       | Transport  | 68.0                             | 68.0                                  | 0.0                    | 0.0%                |
| A23 Handcross to Warninglid Widening           | Transport  | 41.0                             | 41.0                                  | 0.0                    | 0.0%                |
| A453 Widening (M1 J24 to A52 Nottingham)       | Transport  | 90.0                             | 90.0                                  | 0.0                    | 0.0%                |
| M25 Junction 28/A12 Brook Street Interchange   | Transport  | 8.0                              | 8.0                                   | 0.0                    | 0.0%                |

| Project Name                                   | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| M27 J11 to J12 Climbing Lanes                  | Transport  | 27.0                             | 27.0                                  | 0.0                    | 0.0%                |
| M27 J3 to J4 Widening                          | Transport  | 52.0                             | 52.0                                  | 0.0                    | 0.0%                |
| M1 J30 to J31 Widening                         | Transport  | 135.0                            | 135.0                                 | 0.0                    | 0.0%                |
| M1 J31 to J32 Widening                         | Transport  | 20.0                             | 20.0                                  | 0.0                    | 0.0%                |
| M1 J32 to J34S Widening                        | Transport  | 139.0                            | 139.0                                 | 0.0                    | 0.0%                |
| M1 J34N to J37 Widening                        | Transport  | 246.0                            | 246.0                                 | 0.0                    | 0.0%                |
| M1 J37 to J39 Widening                         | Transport  | 224.0                            | 224.0                                 | 0.0                    | 0.0%                |
| M1 J39 to J42 Widening                         | Transport  | 202.0                            | 202.0                                 | 0.0                    | 0.0%                |
| M1 J31 to J32 Northbound Collector/Distributor | Transport  | 29.0                             | 29.0                                  | 0.0                    | 0.0%                |
| M62 J25 to J27 Widening                        | Transport  | 215.0                            | 215.0                                 | 0.0                    | 0.0%                |
| M62 J27 to J28 Widening                        | Transport  | 83.0                             | 83.0                                  | 0.0                    | 0.0%                |
| Flexible Computing                             | BERR       | 9.1                              | 9.0                                   | -0.1                   | -1.1%               |
| Restricted Blackberry Rollout                  | Treasury   | 0.9                              | 0.8                                   | -0.1                   | -11.1%              |
| Managed Printers                               | Treasury   | 0.2                              | 0.1                                   | -0.1                   | -50.0%              |
| Switch Replacement Services                    | Treasury   | 0.8                              | 0.7                                   | -0.1                   | -12.5%              |
| Laptop Refresh Project                         | DfID       | 1.8                              | 1.7                                   | -0.1                   | -5.6%               |
| Customer Land Database                         | Defra      | 1.9                              | 1.7                                   | -0.2                   | -10.5%              |
| Safedial and Confidential Laptop               | Treasury   | 0.9                              | 0.7                                   | -0.2                   | -22.2%              |
| Managed Reporting Service                      | FCO        | 2.5                              | 2.3                                   | -0.2                   | -8.0%               |
| Delphi 2                                       | Health     | 2.2                              | 2.0                                   | -0.2                   | -9.1%               |
| Unclassified Video Conferencing                | FCO        | 3.0                              | 2.7                                   | -0.3                   | -10.0%              |
| Common Infrastructure Management Tools         | Treasury   | 0.5                              | 0.2                                   | -0.3                   | -60.0%              |
| Lynx   | BERR       | 2.1                              | 1.8                                   | -0.3                   | -14.3%              |
| Prism Simplification                           | FCO        | 6.6                              | 6.2                                   | -0.4                   | -6.1%               |
| Secure Video Conferencing                      | FCO        | 2.5                              | 2.1                                   | -0.4                   | -16.0%              |

| Project Name                                      | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|---|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| OGC Desktop Refresh                               | Treasury   | 0.5                              | 0.0                                   | -0.5                   | -100.0%             |
| HR Transformation Project                         | DfID       | 6.5                              | 6.0                                   | -0.5                   | -7.7%               |
| Sussex Partnership NHS Trust                      | Health     | 16.9                             | 16.2                                  | -0.7                   | -4.1%               |
| Patents Electronic Case File System               | DIUS       | 3.8                              | 3.1                                   | -0.7                   | -18.4%              |
| Corporate Services Transformation Programme       | DCSF       | 26.9                             | 26.0                                  | -0.9                   | -3.3%               |
| Barnet and Chase Farm                             | Health     | 41.0                             | 40.0                                  | -1.0                   | -2.4%               |
| Disability and Carers Service Change Programme    | DWP        | 70.0                             | 69.0                                  | -1.0                   | -1.4%               |
| A419 Commonhead Junction                          | Transport  | 17.0                             | 16.0                                  | -1                     | -5.9%               |
| A1/A19/A1068 Seaton Burn Junction Improvement     | Transport  | 30.0                             | 29.0                                  | -1                     | -3.3%               |
| A69 Haydon Bridge Bypass                          | Transport  | 26.0                             | 24.0                                  | -2                     | -7.7%               |
| FCO Web Platform                                  | FCO        | 13.5                             | 9.7                                   | -3.8                   | -28.1%              |
| Oxford Radcliffe Hospitals NHS Trust              | Health     | 11.0                             | 4.5                                   | -6.5                   | -59.1%              |
| Provider-Led Pathways to Work                     | DWP        | 17.0                             | 10.0                                  | -7.0                   | -41.2%              |
| A1 Bramham – Wetherby (Including Wetherby Bypass) | Transport  | 58.0                             | 51.0                                  | -7.0                   | -12.1%              |
| Merlin Capability Sustainment Programme           | Defence    | 840.0                            | 832.0                                 | -8.0                   | -1.0%               |
| GCA - Minerva                                     | DCSF       | 26.0                             | 18.0                                  | -8.0                   | -30.8%              |
| M62 Junction 6 Improvement                        | Transport  | 46.0                             | 38.0                                  | -8.0                   | -17.4%              |
| M1 J19 Improvement                                | Transport  | 132.0                            | 123.0                                 | -9                     | -6.8%               |
| DWP IT Transformation Programme                   | DWP        | 169.0                            | 155.0                                 | -14.0                  | -8.3%               |



| Project Name   | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Modernised Target Acquisition Designation Sight/Pilot's Night Vision Sensor            | Defence    | 245.0                            | 228.0                                 | -17.0                  | -6.9%               |
| EDRM   | FCO        | 26.5                             | 5.1                                   | -21.4                  | -80.8%              |
| Typhoon Future Capability Programme  | Defence    | 458.0                            | 436.0                                 | -22.0                  | -4.8%               |
| Watchkeeper  | Defence    | 920.0                            | 898.0                                 | -22.0                  | -2.4%               |
| Centralisation of Benefit Processing   | DWP        | 140.0                            | 118.0                                 | -22.0                  | -15.7%              |
| Royal Liverpool University Hospital  | Health     | 500.0                            | 477.0                                 | -23.0                  | -4.6%               |
| A1 Dishforth to Barton   | Transport  | 353.0                            | 325.0                                 | -28.0                  | -7.9%               |
| Advanced Jet Trainer   | Defence    | 497.0                            | 467.0                                 | -30.0                  | -6.0%               |
| Falcon   | Defence    | 324.0                            | 291.0                                 | -33.0                  | -10.2%              |
| Pensions Reform Delivery Programme   | DWP        | 151.0                            | 118.0                                 | -33.0                  | -21.9%              |
| West Hertfordshire Hospitals   | Health     | 330.0                            | 285.0                                 | -45.0                  | -13.6%              |
| Future Lynx  | Defence    | 1,966.0                          | 1,911.0                               | -55.0                  | -2.8%               |
| A303 Stonehenge  | Transport  | 284.0                            | 223.0                                 | -61.0                  | -21.5%              |
| Royal Liverpool Children's Hospital  | Health     | 300.0                            | 235.0                                 | -65.0                  | -21.7%              |
| Beyond Visual Range Air to Air Missile   | Defence    | 1,362.0                          | 1,279.0                               | -83.0                  | -6.1%               |
| Naval Extremely High Frequency/Super High Frequency Satellite Communications Terminals | Defence    | 290.0                            | 200.0                                 | -90.0                  | -31.0%              |
| Next Generation Light Anti-Armour Weapon   | Defence    | 415.0                            | 310.0                                 | -105.0                 | -25.3%              |
| A400M  | Defence    | 2,744.0                          | 2,632.0                               | -112.0                 | -4.1%               |

| Project Name                                 | Department | Initial/Announced Cost, £million | Actual Cost/Latest Estimate, £million | Cost Overrun, £million | Cost Overrun, % age |
|--|------------|----------------------------------|---------------------------------------|------------------------|---------------------|
| Stingray Life Extension & Capability Upgrade | Defence    | 744.0                            | 576.0                                 | -168.0                 | -22.6%              |
| Hillingdon Hospital                          | Health     | 314.9                            | 139.0                                 | -175.9                 | -55.9%              |
| Sandwell and West Birmingham Hospitals       | Health     | 591.0                            | 368.0                                 | -223.0                 | -37.7%              |
| Roll-Out of Jobcentre Plus Office Network    | DWP        | 2,200.0                          | 1,886.0                               | -314.0                 | -14.3%              |
| Support Vehicle                              | Defence    | 1,641.0                          | 1,272.0                               | -369.0                 | -22.5%              |
| Future Joint Combat Aircraft                 | Defence    | 2,236.0                          | 1,834.0                               | -402.0                 | -18.0%              |
| East and North Hertfordshire                 | Health     | 550.0                            | 110.0                                 | -440.0                 | -80.0%              |
| <b>Total:</b>                                |            | <b>£49,976</b>                   | <b>£69,077</b>                        | <b>£19,101</b>         | <b>38.2%</b>        |